

China scores ticket to consumer big leagues

YUKO KAWAMOTO

Professor, Waseda University

With a population of 1.3 billion, China is quickly transforming from a land of production — powered by low-wage labor — to one of massive consumption. And on March 15, U.S. Major League Baseball is set to dip its toes into this fertile market, calling “Play ball!” for the first regular season game on Chinese soil.

In China, the GDP per capita currently stands at about \$2,000; generally, per capita GDP in excess of \$10,000 is said to be an indication of a mature consumption market. But while China has yet to reach this level, global recognition of it as a country of consumption is growing against the backdrop of its rapidly expanding economy.

The entry of major professional sports is yet another sign that the consumption of services, as well as of merchandise, is expected to expand in China in the future.

The pace of global economic growth is decelerating, stemming from the U.S. subprime mortgage mess. On the other hand, interest is growing in the theory of decoupling, which suggests the global economy can be pulled along by other nations even if the U.S. stalls.

If China and other rising

nations turn into big consumers, decoupling may come to fruition.

Some cosmetics makers and other Japanese firms have already been active in market-

ing their products in China. But many others still see it as a country of production.

Certainly numerous problems exist, such as income gaps

and an inadequate legal system, but the staging of an MLB game will likely help promote interest in China as a viable land of consumption.



From left: Yoshihiko Noda of the main opposition Democratic Party of Japan, Takeo Kawamura of the ruling Liberal Democratic Party, and Prof. Masayasu Kitagawa of Waseda University and former governor of Mie Prefecture, shake hands at the opening of Sentaku — a nonpartisan group of 107 lawmakers — in Tokyo on March 3. Its name is a play on the Japanese words for “laundry” and “choice,” and the group’s mission is to clean up party policies via debates on various issues, from fiscal reform to climate change. The Feb. 23 issue of *The Economist*, which blamed politics for many of Japan’s ills, called Sentaku a “glimmer of hope.”