

# **The Economic Effects of SARS – Case Study Beijing**



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# 1. SARS Cases in China and Beijing

On Saturday, May 31, 2003:

One new SARS case and four more deaths, all in Beijing.

National cumulative number of 5,328 cases, and 332 deaths (about 6% death rate).

Beijing: 2,521 confirmed infections and 181 deaths (about 7% death rate).

(A total of 3,371 people have been released from hospital nation-wide).

## 2. The Trend of Cases

*In Beijing:*

The first week of May: 666 cases;

The last week of May: 65.

Cutting number of SARS hospitals (Seven designated hospitals with more than 2,500 beds available)

Beijing still has 1,377 people hospitalized for SARS.

## **3. The Influence on Society and Economy**

SARS had caused many people to become so panicky that they developed psychiatric problems:

On-line psychological consultations and lectures about SARS.

Changing the old unsanitary habit, eg. Spitting.

Coordination and transparency of governance.

# Impact on Economy

Beijing Capital International Airport: 30.8% year-on-year fall in its April passenger.

A 3.9% year-on-year drop in aircraft movements:

Domestic flights falling 2%;

International services falling 10.6%

The most affected businesses are: catering, recreation, tourism, exhibition, retail sales and transportation.

eg. Beijing may lose around US\$4.8 billion in the tourism industry.

# Major Economic Indicators

Estimated National GDP growth (2003) may reduce from 9% to 7%;

Unemployment will continue to grow:

eg. Urban jobless number have risen 11% over the past year.

More difficult for university graduates (2.12 million this year, almost twice the number in 2001).

# Trade and FDI

National trade will maintain surplus with a US\$24 billion;

Fixed-asset investment is set to maintain a 15% growth;

FDI is expected to slip to US\$50 billion in 2003, compared with US\$52.7 billion in 2002.