

APOLLO

China's demographic challenges

Torsten Slok, Rajvi Shah, and Shruti Galwankar
tslok@apollo.com

Apollo Global Management

August 2024

Unless otherwise noted, information as of August 2024.

Confidential and Proprietary - Not for distribution, in whole or in part, without the express written consent of Apollo Global Management, Inc.

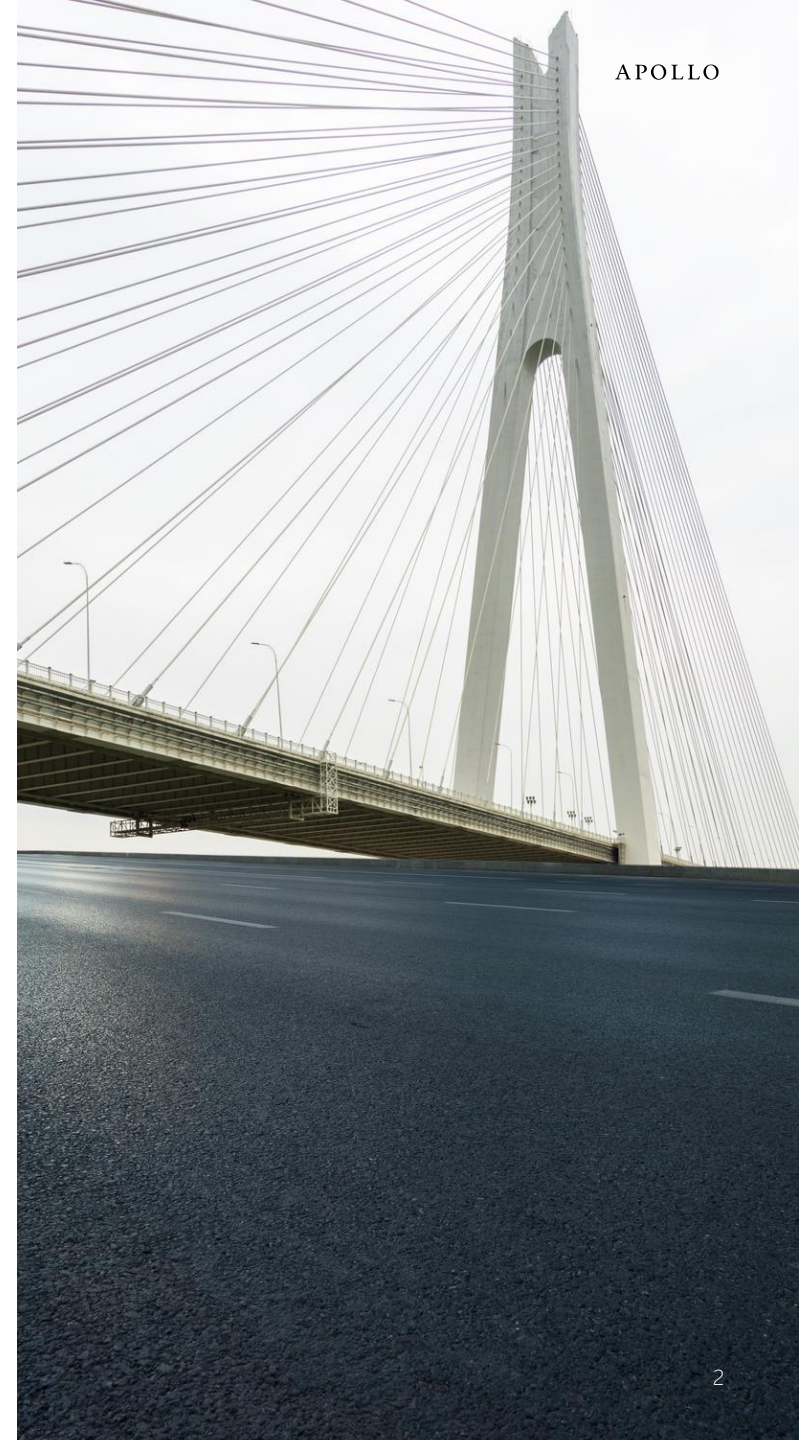
It should not be assumed that investments made in the future will be profitable or will equal the performance of the investments shown in this document.

Legal Disclaimer

Unless otherwise noted, information included herein is presented as of the dates indicated. Apollo Global Management, Inc. (together with its subsidiaries, "Apollo") makes no representation or warranty, expressed or implied, with respect to the accuracy, reasonableness, or completeness of any of the information contained herein, including, but not limited to, information obtained from third parties. Opinions, estimates and projections constitute the current judgment of the author as of the date indicated. They do not necessarily reflect the views and opinions of Apollo and are subject to change at any time without notice. Apollo does not have any responsibility to update the information to account for such changes. Hyperlinks to third-party websites in these materials are provided for reader convenience only. There can be no assurance that any trends discussed herein will continue.

The information contained herein is not intended to provide, and should not be relied upon for, accounting, legal or tax advice and does not constitute an investment recommendation or investment advice. Investors should make an independent investigation of the information contained herein, including consulting their tax, legal, accounting or other advisors about such information. Apollo does not act for you and is not responsible for providing you with the protections afforded to its clients.

Certain information contained herein may be "forward-looking" in nature. Due to various risks and uncertainties, actual events or results may differ materially from those reflected or contemplated in such forward-looking information. As such, undue reliance should not be placed on such information. Forward-looking statements may be identified by the use of terminology including, but not limited to, "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology.



Five facts about the demographic challenges in China

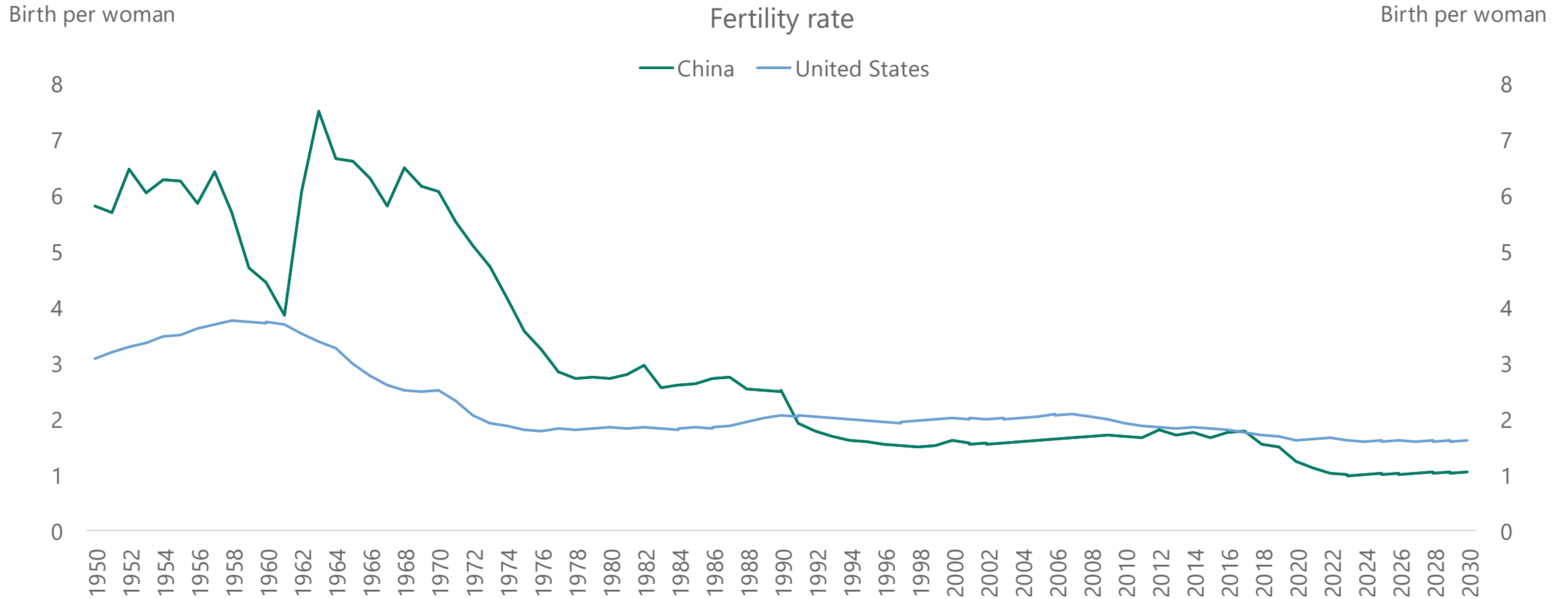
1. Population growth in China has turned negative
2. The fertility rate in China is 1, in the US it is 1.6, and in Japan it is 1.2
3. In China, the working age population is currently 1 billion, and it will decline by roughly 100 million people every decade
4. There are 30 million more men than women in China
5. The number of >60-year-olds divided by the number of 15- to 59-year-olds will reach 50% within a decade, up from 30% today

1) China: Population growth has turned negative



Source: CNBS, Haver Analytics, Apollo Chief Economist. Note: Natural population growth shown. Natural population growth = (birth rate – minus death rate) * total population

2) Fertility rate in China lower than the fertility rate in the US

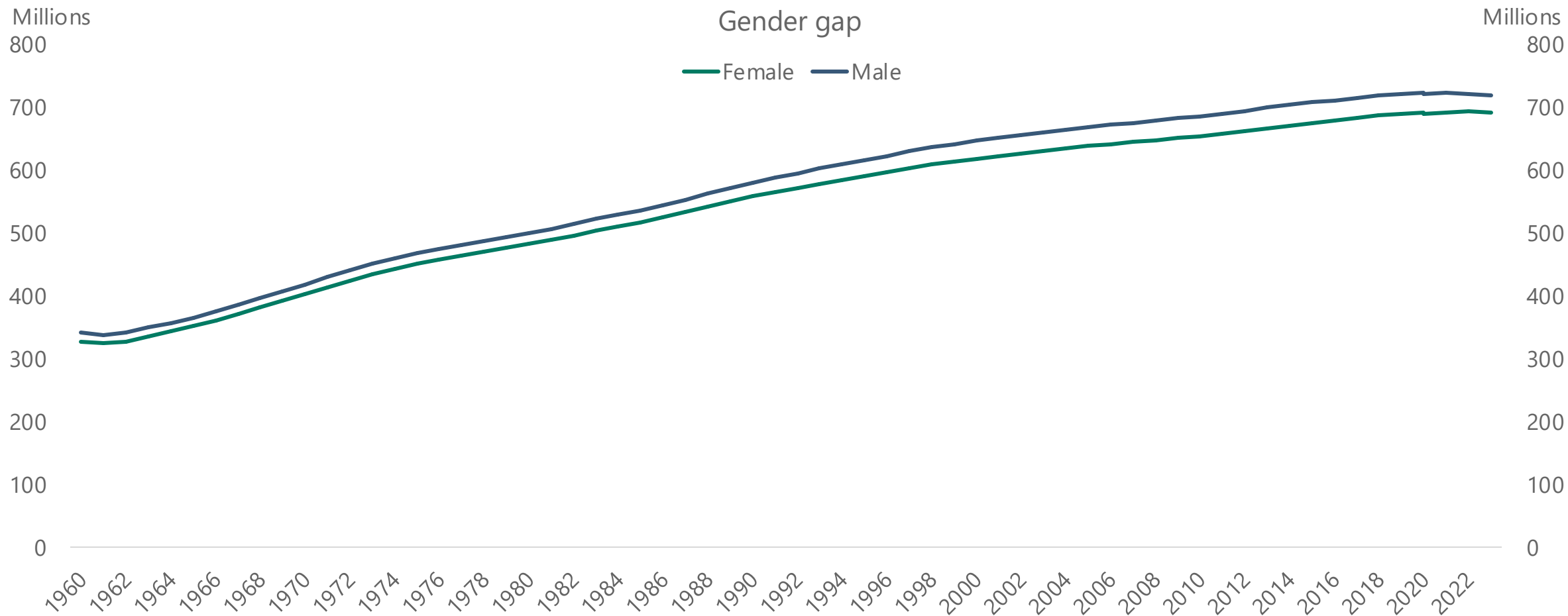


3) China: Working age population will decline by roughly 100mn people every decade

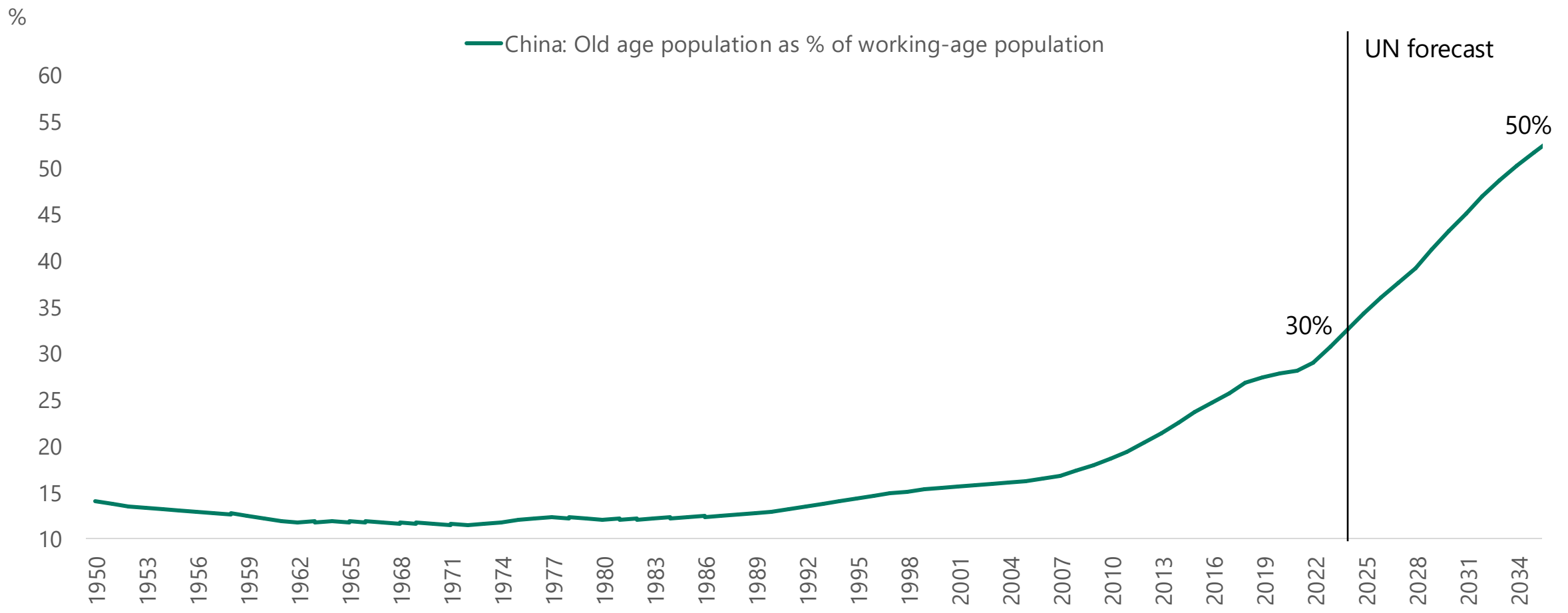


Source: World Population Prospects 2024, United Nations, Apollo Chief Economist.

4) China: 30 million more men than women

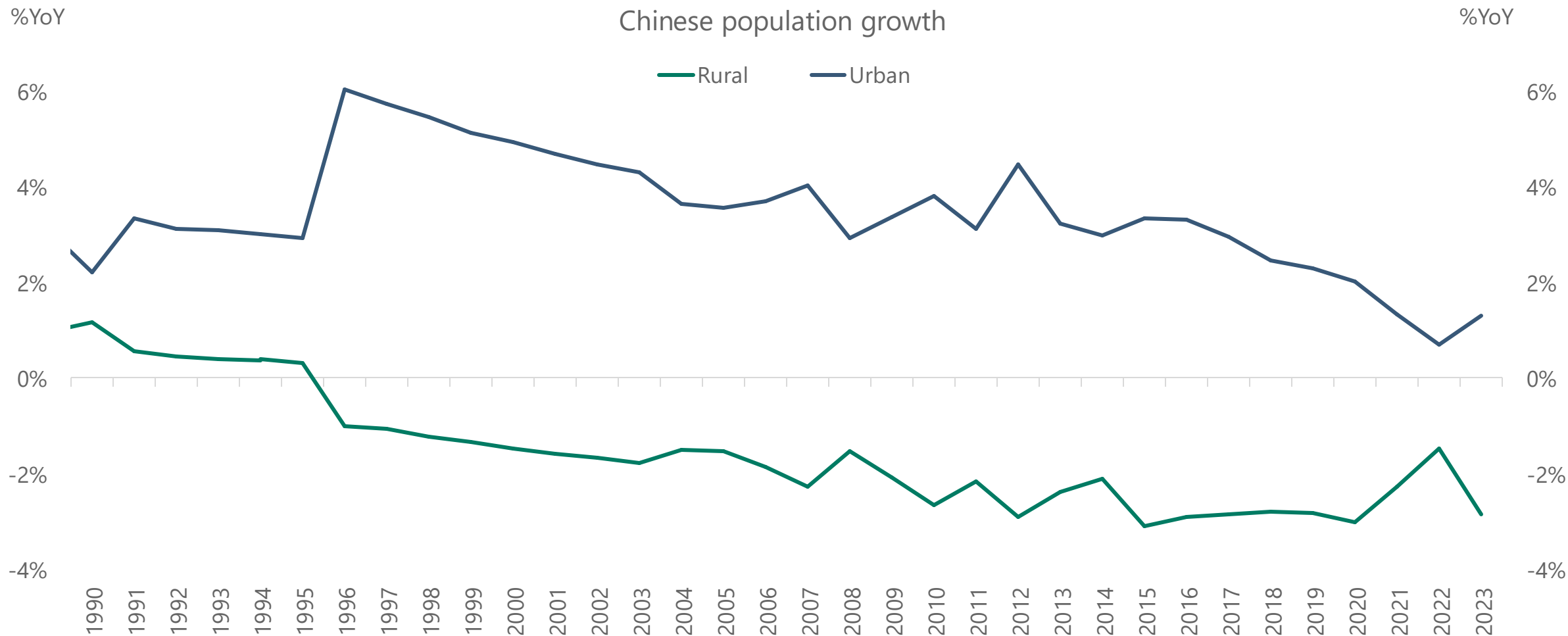


5) China: The number of +60-year-olds divided by the number of 15- to 59-year-olds will reach 50% within a decade



Note: Old age = 60 years and over; working-age = 15-59 years old. Source: UN, Haver Analytics, Apollo Chief Economist.

Population growth slowing in both rural and urban areas



Source: China National Bureau of Statistics, Haver Analytics, Apollo Chief Economist

China: Ongoing downward revision to working age population projections

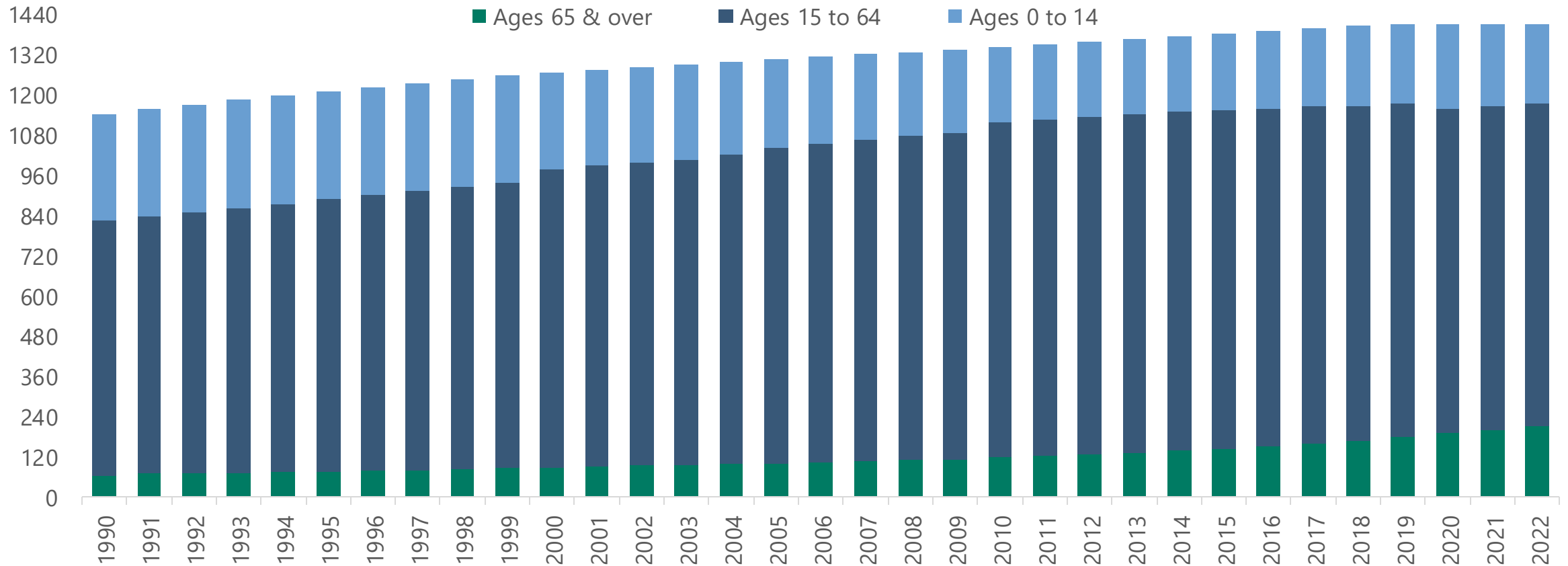


Source: World Population Prospects 2024, United Nations, Apollo Chief Economist.

China: The population is getting older

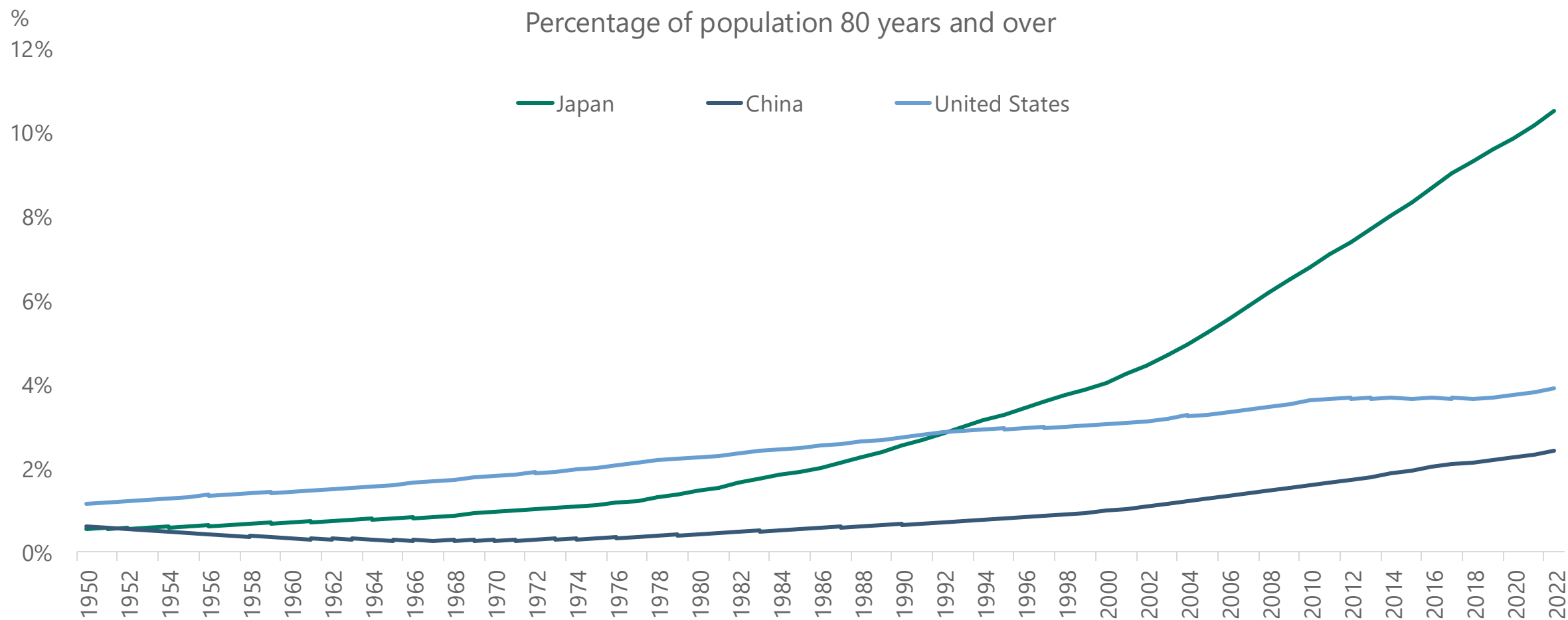
Millions of people

China's demographic challenge

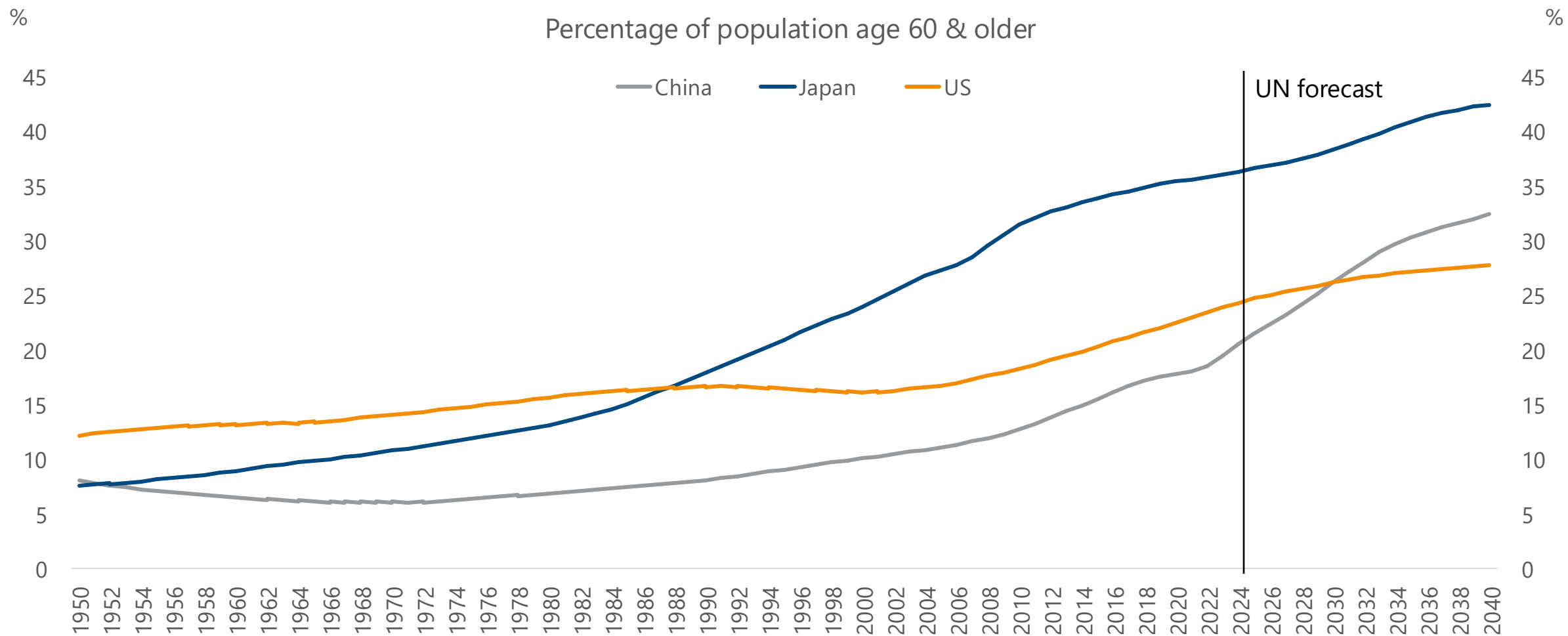


Source: National Bureau of Statistics of China, Apollo Chief Economist.

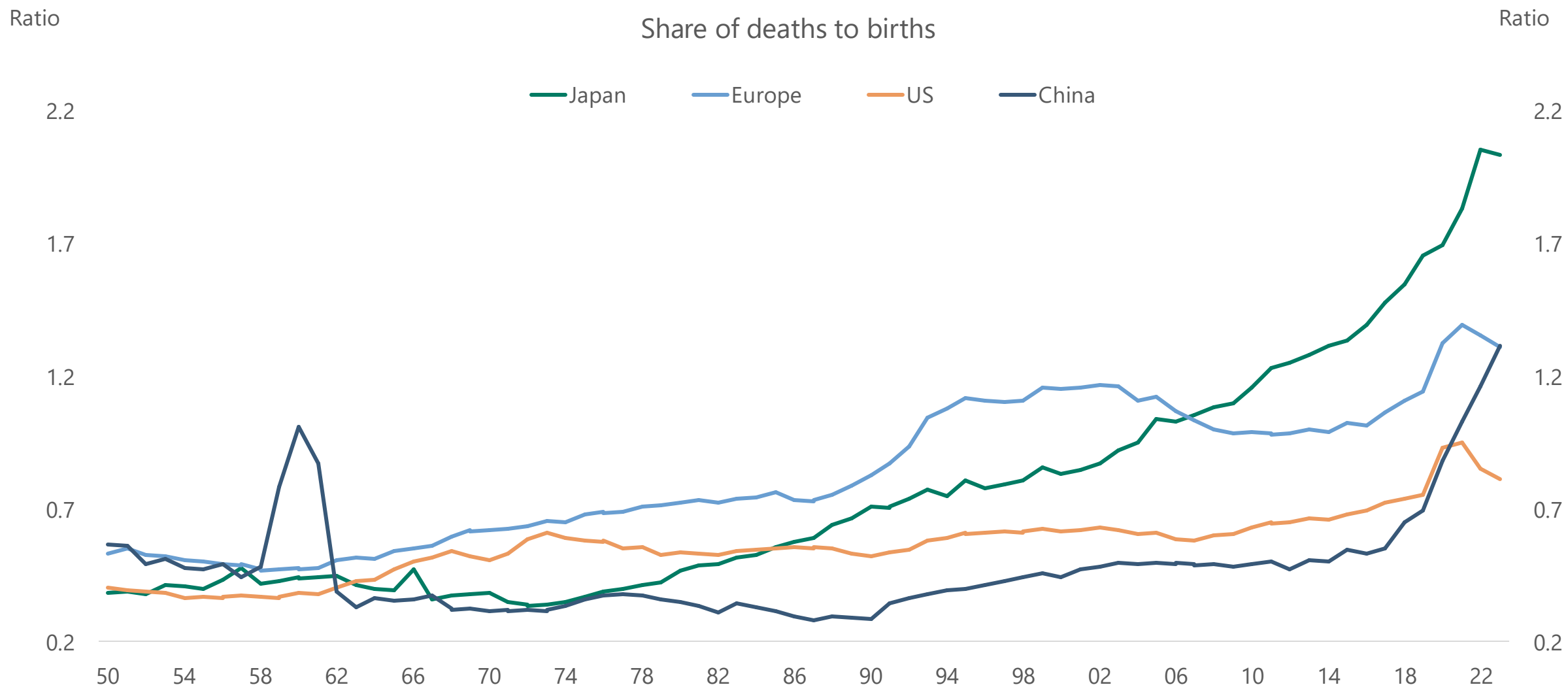
China's demographics better than Japan's



China aging faster than the US

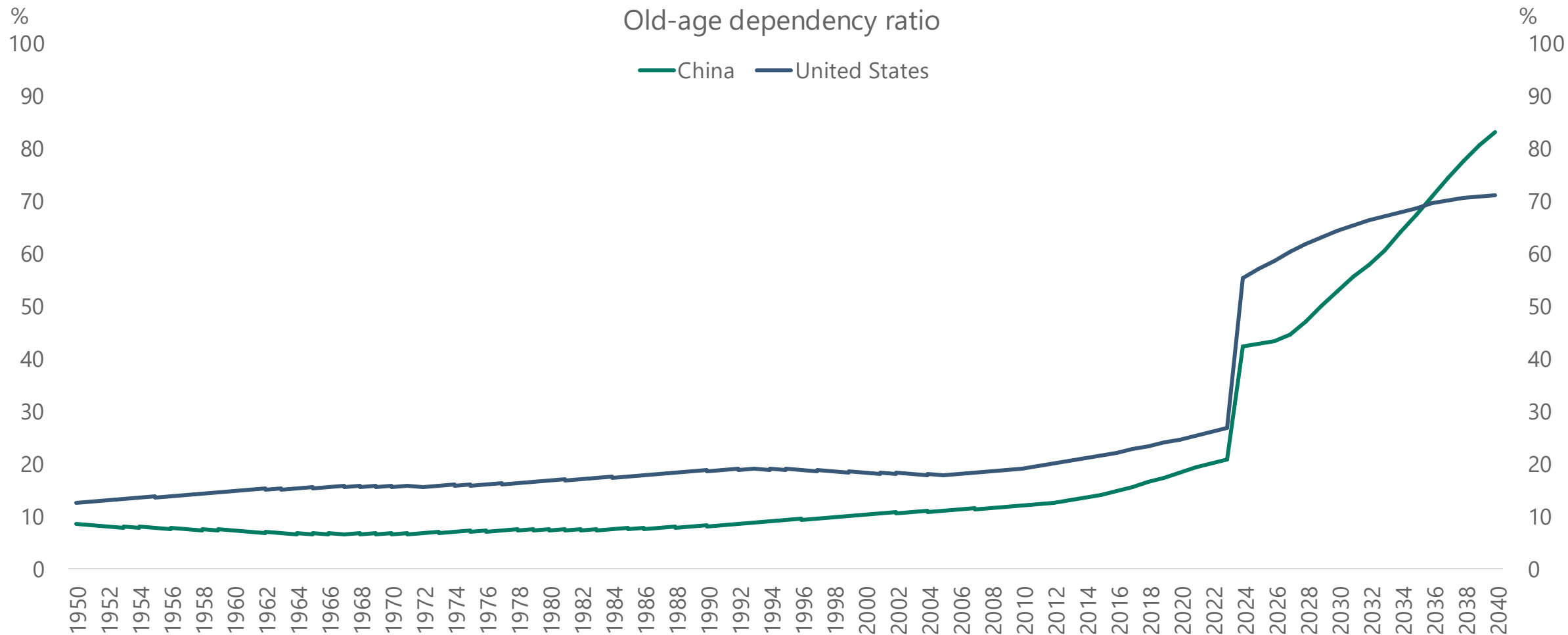


Share of deaths to births rising for China



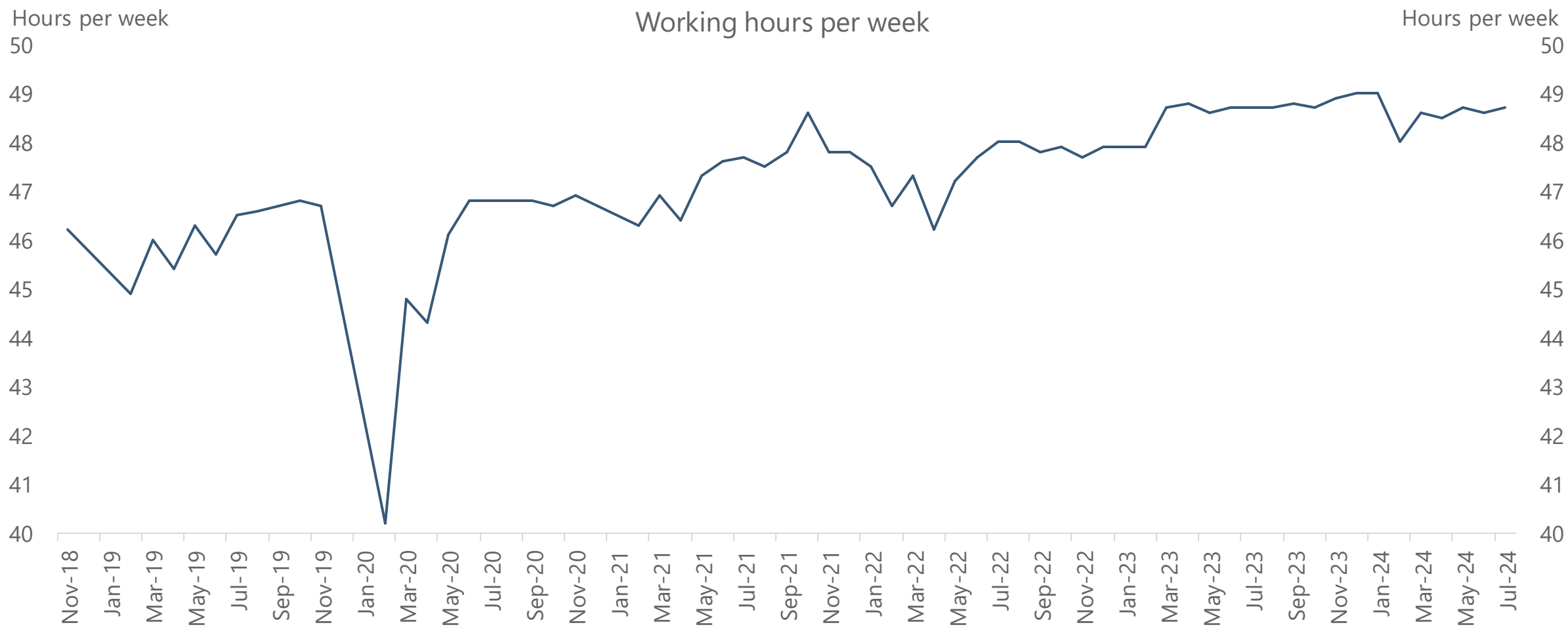
Source: World Population Prospects 2024, United Nations, Apollo Chief Economist.

By 2036, the old-age dependency ratio will be higher for China than the US



Source: World Population Prospects 2024, United Nations, Apollo Chief Economist.

China: Actual working hours per week



Source: National Bureau of Statistics of China, Apollo Chief Economist.



Torsten Slok, Ph.D.

Chief Economist

Apollo Global Management

tslok@apollo.com

Torsten Slok joined Apollo in August 2020 as Chief Economist and he leads Apollo's macroeconomic and market analysis across the platform.

Prior to joining, Mr. Slok worked for 15 years as Chief Economist at Deutsche Bank where his team was top ranked in the annual Institutional Investor survey for a decade. Prior to joining Deutsche Bank Mr. Slok worked at the IMF in Washington, DC and at the OECD in Paris.

Mr. Slok has a Ph.D in Economics and has studied at the University of Copenhagen and Princeton University.