

## Macro Roundup Article

**Headline:** [How Serious is China's Economic Slowdown?](#)

### Article

**Link:** <https://www.piie.com/blogs/realtime-economics/how-serious-chinas-economic-slowdown>

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**Tweet:** Nicholas Lardy @PIIE argues that concerns about the Chinese economy are overstated, given that core consumer prices in July rose by 0.8% once volatile food and energy prices are stripped out.

**Summary:** A careful reading of the present situation does not support the view that China's growth is now gripped by a severe cyclical downward spiral that will persist for several years. Falling retail prices could lead households to postpone consumption on the expectation that goods would become cheaper tomorrow. That would reduce consumption and economic growth. But the widely noted 0.3% decline in consumer prices in July 2023 compared with a year ago was mostly due to elevated food prices in the same period of 2022. Stripping out volatile prices of food and energy, core consumer prices in July rose by 0.8%, up from the 0.4% increase in June. It may be premature to raise the specter of deflation based on one month of data.

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**Primary Topic:** China

**Topics:** Business Cycle, China, GDP, Growth, Housing, Op-Ed/Blog Post

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