

Macro Roundup Article

Headline: [China's Military Spending Is A Growth Certainty Amid Rising Tensions](#)

Article Link: <https://www.ft.com/content/124d1413-698b-4c89-960c-472e3c5297ea>

Author(s)	FT Staff
Publication	Financial Times
Publication Date	March 05, 2024

Tweet: Chinese defense spending has more than doubled over the past decade under Xi Jinping, and is budgeted to increase 7.2% this year, outpacing targeted 5% real GDP growth.

Summary: Beijing's military budget will increase by 7.2%, in line with last year's rise despite a slowing economy and making China the second largest spender after the US globally. This military budget of Rmb1.67tn (\$232bn) has more than doubled over the past decade under Chinese leader Xi Jinping. US lawmakers and experts have argued that the actual military expenditures are far higher than official figures, thanks to classified expenditures that are not included. Local defence-related groups should benefit with share prices rising in the past month on the back of growing demand expectations. Shares in Avic Xi'an Aircraft Industry Group and China Shipbuilding Industry Co are up a fifth. China's largest helicopter maker AviChina Industry & Technology stock is up 13%. But even after those gains the latter trades at about 7 times forward earnings, a significant discount to European peers, leaving room for upside. Related: Xi Jinping Says He Is Preparing China for War and The Taiwan Catastrophe and Xi, Biden and the \$10 Trillion Cost of War Over Taiwan

Primary Topic: China

Topics: China, News article, Security

Permalink: <https://www.edwardconard.com/macro-roundup/chinese-defense-spending-has-more-than-doubled-over-the-past-decade-under-xi-jinping-and-is-budgeted-to-increase-7-2-this-year-outpacing-targeted-5-real-gdp-growth?view=detail>

Featured Image

Link: <https://www.edwardconard.com/wp-content/uploads/2024/03/China-Defense-Rebound.png>