

## Macro Roundup Article

**Headline:** [Shadow Reserves — How China Hides Trillions of Dollars of Hard Currency](#)

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Author(s)	Brad Setser
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**Summary:** All told, institutions that report to China's central government probably have closer to \$6 trillion in foreign assets than the \$3.12 trillion SAFE reported in December 2022. The scale of these hidden reserves — foreign current currency assets that aren't formally counted as "reserves" — also highlights an important fact that is often forgotten amid all the talk of China's domestic debt problems. The main way China has hid its reserves has been its big state banking system. Globally China is still a massive creditor, and the weight of China's massive accumulation of foreign exchange is still felt around the globe.

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