

Macro Roundup Article

Headline: [China's Manufacturers Are Going Broke](#)

Article

Link: <https://www.economist.com/business/2024/08/08/chinas-manufacturers-are-going-broke>

Author(s)	Economist Staff
Publication	The Economist
Publication Date	August 09, 2024

Tweet: In June ~ 30% of China's industrial firms were loss-making, up from 10% in 2011; In its July plenum, "China's politburo said that the market must filter out weak producers and promote strong ones." @TheEconomist

Summary: About 30% of industrial firms were loss-making at the end of June, rising above the previous recorded peak during the Asian financial crisis in 1998, according to the National Bureau of Statistics. Its survey of more than 500,000 companies shows a startling deterioration in the conditions for industrial firms in the first half of the year, during which the number of loss-making companies surged by 44%. In its July meeting, China's politburo said that the market must filter out weak producers and promote strong ones. In time, that should lead to more capital and labour being allocated to China's most productive manufacturers, making them mightier still. But it will be painful.

Related Articles: China's Real Economic Crisis and Which Country Should Design U.S. Industrial Policy? and China's Record Manufacturing Surplus

Primary Topic: China

Topics: China, GDP, Growth, News article

Permalink: <https://www.edwardconard.com/macro-roundup/in-june-30-of-chinas-industrial-firms-were-loss-making-up-from-10-in-2011-in-its-july-plenum-chinas-politburo-said-that-the-market-must-filter-out-weak-producers-and-promote-s?view=detail>

Featured Image Link: <https://www.edwardconard.com/wp-content/uploads/2024/08/22698-chinas-manufacturers-are-going-broke-featured-thumbnail-image.png>