

Macro Roundup Article

Headline: [Why is Xi Jinping Building Secret Commodity Stockpiles?](#)

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Tweet: Chinese import volumes of basic commodities surged by 16% last year despite a slowing economy, suggesting the country is building up strategic reserves of food, industrial, and energy resources.

Summary: Last year China's imports of many basic resources broke records, and imports of all types of commodities surged by 16% in volume terms. China appears to be stockpiling materials at a rapid pace—and at a time when commodities are expensive. In a sign of increasing caginess, state statisticians have stopped releasing data for stocks of many commodities. America's Department of Agriculture forecasts that, by the end of the current growing season, China's wheat and maize stocks will represent 51% and 67% of the world's, respectively, up five to ten percentage points from 2018. These are thought to be enough to cover at least a year's demand. More striking still has been China's effort to stash metals and fuel. Tom Price of Panmure Liberum finds that the country's inventory build-up [of copper, nickel, and various other metals] since 2018 has been sufficient to cover at least 35% to 133% of its annual demand, depending on the commodity. Since 2020 China's crude-storage capacity has increased from 1.7bn to 2bn barrels.

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