

Macro Roundup Article

Headline: Fueled by Long Credit Binge, China's Economy Faces Drag from Debt Purge

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Summary: Total credit to the nonfinancial sector was \$49.9 trillion last September, more than triple the level 10 years ago, according to the Bank for International Settlements, a consortium of global central banks. The figure has begun to drop in dollar terms from \$51.4 trillion at the end of 2021, though in local currency, the debt continued to climb. The issue isn't the central government, whose debts are relatively low as a percentage of gross domestic product, but households, the private sector and local governments. Total debt as a share of GDP hit 295% in China last September, surpassing 257% in the U.S. and an average of 258% in the eurozone, BIS data show.

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