

Macro Roundup Article

Headline: [Leveraging Killed China's Bid for Leadership](#)

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Tweet: From 2008-2023 outstanding credit to the Chinese non-financial sector rose 148pp to over 283% of GDP. Over that same period, the corresponding measure for the US rose 15pp to 256% of GDP. @DerekScissors1

Summary: According to Bank for International Settlements data, China's 148-point increase in outstanding credit to the nonfinancial sector over 15 years is the worst stretch recorded for a major economy. (Japan did not start reporting until 1997.) In contrast, American outstanding credit is said to have risen less than 15 points from 2008 to 2023, passing 256 percent of GDP in 2023. The PRC's general government debt started deteriorating when Xi took over. The deterioration accelerated in 2016, exactly as corporate debt was reined in. The BIS figures are helpful because American and Chinese fiscal data are not easily compared. The most reliable PRC measure of its fiscal deficits rose from \$20 billion in 2008 to \$820 billion in 2023. The closest US figure is federal budget deficits, which stood at \$460 billion in 2008 and an absurd \$1.7 trillion in 2023. America's 2023 GDP was about 55% higher than China's. The numbers from national statistics authorities at least appear to confirm the trends shown by BIS.

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Primary Topic: China

Topics: China, Database, Fiscal Deficits, Fiscal Policy, GDP, Growth, Op-Ed/Blog Post

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