

## 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>

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**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.

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**Primary Topic:** China

**Topics:** China, GDP, Growth, News article

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