

Macro Roundup Article

Headline: [A Mid-Year Temperature Check on Growth](#)

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Tweet: [@GoldmanSachs](#) expects business investment growth to slow from 5-6% in 2024H1 to 3% in 2024H2 as the factory-building boom catalyzed by the CHIPS ACT and IRA fades, but forecasts that business investment will remain above pre-pandemic levels.

Summary: We expect business investment growth to slow to a roughly 3% pace in 2024H2 because the factory-building boom catalyzed by CHIPS ACT and Inflation Reduction Act subsidies—which played such a large role in business investment growth over the last year and a half, as the light blue bars in Exhibit 6 show—has now peaked. We are not too worried about this because downstream investment in equipment for those factories and artificial intelligence-related investment in computer hardware and software should eventually take its place and drive further growth, but the timing of this hand-off is somewhat uncertain. We also see some risk that uncertainty about possible changes to regulatory policy or trade policy after the upcoming elections could also delay investment in the coming months.

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Primary Topic: Growth

Topics: Business Cycle, GDP, Growth, Investment, Op-Ed/Blog Post, Productivity

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