

Macro Roundup Article

Headline: [Making Manufacturing Great Again](#)

Article

Link: <https://www.nytimes.com/2023/06/06/opinion/biden-trump-ira-chips-manufacturing.html>

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Summary: Under Biden, manufacturing construction, as some people put it, has gone parabolic, more than doubling just over the past year. Raw dollar figures can be misleading, especially when you’re looking at the long run; spending needs to be compared with the size of the economy as a whole. Here’s manufacturing construction as a % of G.D.P. over the past three decades (the number for 2023 is April spending as a % of first-quarter G.D.P.). There’s no real question about the causes of the surge. It’s being driven by two major pieces of legislation: the misleadingly named Inflation Reduction Act, whose actual core is subsidies for green energy, and the CHIPS Act (“creating helpful incentives to produce semiconductors” — call in the acronym police!), which is supposed to protect national security by promoting domestic production of, um, chips. It’s good news that the boom is happening, indeed exceeding even the most optimistic expectations. Related: [Factory Boom Sweeps US With Construction at Record \\$190 Billion and Why Laws Meant to Create Jobs Can Be So Destructive for Our Cities](#)

Primary Topic: Investment

Topics: Investment, Op-Ed/Blog Post, Productivity

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