

Macro Roundup Article

Headline: [How Soon and At What Height Will China's Economy Peak?](#)

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Tweet: China and the United States economies are likely to be near parity going forward. Goldman Sachs estimates at peak China will be 14% larger than the US whereas Capital Economics estimates China's economy will peak at 90% of the US. @TheEconomist

Summary: In 2011 Goldman Sachs projected that China's GDP would surpass America's in 2026 and become over 50% larger by mid-century. No peak was in sight. At the end of last year, the bank revisited its calculations. It now thinks China's economy will not overtake America's until 2035 and at its high point will be only 14% bigger. Capital Economics, a research firm, argues that China's economy will never be number one. It will reach 90% of America's size in 2035 and then lose ground. Even if China's economy does become the biggest in the world, its lead is likely to remain small. It is unlikely to establish an edge over America equivalent to the 40% lead America now enjoys over it. It also seems safe to say that China and America will remain in a position of near-parity for decades.

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