

Macro Roundup Article

Headline: [Breaking Down China's Manufacturing](#)

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Summary: In recent years, about 40-45% of China's manufacturing output has come from exports, while 55-60% has come from domestic demand. This pattern was established in 2009 by China's massive property-and-infrastructure stimulus in response to the 2008 global financial crisis. Since then, the level of investment activity in the economy has stayed very elevated. So, we can say that China's manufacturing sector is indeed mainly oriented to domestic demand, but it's definitely true that the contribution from exports is quite large. A 55-45 split in an economy of China's size is a pretty significant reliance on external demand. And that reliance has increased more recently. The current edition of the OECD TiVA database ends in 2018; extending the estimates to 2022 shows that the export contribution has probably picked up quite a bit due to the pandemic export boom.

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Primary Topic: China

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