

## Macro Roundup Article

**Headline:** [Can China Catch Up with Greece?](#)

### Article

**Link:** <https://libertystreeteconomics.newyorkfed.org/2023/10/can-china-catch-up-with-greece/>

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**Tweet:** Citing research suggesting China's TFP growth may have fallen to "about zero," a @NewYorkFed analysis argues China is unlikely to reach mid-level developed country GDP per capita by 2035.

**Summary:** We expect reduced contributions from labor and capital to hold income growth below 4% absent an offsetting acceleration in TFP (total factor productivity) growth. A surge in TFP growth, however, seems unlikely, since productivity growth in China is already quite high, averaging 1.8% since 2009. Only five of the forty-three countries that reached China's current income level in the past saw TFP growth that high over the subsequent thirteen years. Not one managed to exceed this pace by more than a few tenths of a percentage point. In short, China will need to achieve TFP growth in excess of the fastest historical precedents to meet official income goals. Moreover, these estimates assume that the official growth figures are accurate. If the lower growth rates of Harry Wu's work are correct, TFP growth has already fallen to about zero. Related: China Slowdown Means It May Never Overtake US Economy, Forecast Shows and How Soon and At What Height Will China's Economy Peak? and After Years of Sharp Decline, Will China's Birth Rate Rebound?

**Primary Topic:** China

**Topics:** Business Cycle, China, GDP, Growth, Op-Ed/Blog Post

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