

Macro Roundup Article

Headline: [Will Xi's Manufacturing Plan Be Enough to Rescue China's Economy?](#)

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Tweet: Xi's vision of economic growth backed by advanced manufacturing implies a rise in China's current 31% share of global manufacturing, which many nations view as an emerging threat to their manufacturing sectors.

Summary: According to World Bank data, investment as a percentage of global gross domestic product has for decades hovered around 25%. In high-investing countries, usually in the developing world, it generally varies between 30 and 34%. In China, it has held above 40% for two decades. As Xi Jinping toured China's central Hunan province last week, local officials were called forward to inform the nation's powerful leader on their plans to accelerate the development of "new quality productive forces." The slogan, rooted in 19th-century Marxist thinking, has in early 2024 become shorthand for Xi's vision of economic growth underpinned by China's increasingly advanced manufacturing industries. "For this to work, China must expand its share of global manufacturing. That needs to be accommodated by the rest of the world. The rest of the world is unlikely to do that," says Michael Pettis.

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Primary Topic: China

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