

Macro Roundup Article

Headline: [China's Surplus Again Topped 10% Of GDP](#)

Article Link: https://twitter.com/Brad_Setser/status/1651253734968549382

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Tweet: .@Brad_Setser shows that China has reduced its reliance on manufactured imports while maintaining exports. Net of processing imports, exports are about 14% of GDP, and manufactured imports are now under 4% of GDP.

Summary: Despite all the talk about how the world is standing in the way of China's growth, the world (including the US) continues to supply China with one thing it cannot generate domestically -- demand for its manufactures. China's surplus again topped 10% of its GDP. Even with relatively high commodity prices, China's overall trade surplus (in goods) is approaching its pre-global financial crisis peak. As is the surplus in manufacturing. And of course, in dollars, the surplus is WAY bigger than it was prior to the global financial crisis (dollars are an OK proxy for scaling the surplus v the size of its trading partners). The world still supplies China with a ton of net demand. China simply doesn't import many manufactures for its own use (it imports chips for reexport) Net of processing imports, exports are about 14% of GDP and manufactured imports are now under 4% of GDP. This is true "deglobalization."

Primary Topic: China

Topics: China, Factoid, Op-Ed/Blog Post, Savings Glut/Trade Deficit

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