

## Macro Roundup Article

**Headline:** [The Threat from China's Capital Flight](#)

**Article Link:** <https://theovershoot.co/p/the-threat-from-chinas-capital-flight>

Author(s)	Matt Klein
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**Summary:** There are enough oddities within China's official balance of payments statistics to suggest that the country's actual current account surplus may be nearly 3x the official figure. If so, that would make China's current account surplus not just the largest that it has ever been in absolute terms, but about as large as it has ever been relative to the rest of the world's economy. Perhaps surprisingly, the emergence of this massive surplus has coincided with downward pressure on the Chinese yuan, with the People's Bank of China (PBOC) selling \$43 billion in foreign exchange reserves in 2023 Q3. The likeliest explanation is that the Chinese are now pulling about \$500 billion/year out of the country. In other words, capital flight pressures have intensified over the past few years, perhaps in response to the Chinese government's increasingly arbitrary exercises of power against its subjects.

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**Primary Topic:** Financial Markets

**Topics:** China, Financial Markets, GDP, Op-Ed/Blog Post, Savings Glut/Trade Deficit

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