

Macro Roundup Article

Headline: [Covid-Era Savings Are Crucial to China's Economic Recovery](#)

Article Link: <https://www.wsj.com/articles/covid-era-savings-are-crucial-to-chinas-economic-recovery-1ee3310b>

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Tweet: China's household savings rate was 33% in 2022, 3pp above the pre-pandemic trend, and big industrial companies added \$1.1 trillion in liquid assets on average each year, more than double the \$467 billion annual increase in the five years before Covid. @WSJ

Summary: Chinese families, constrained by Covid lockdowns, hoarded cash and pushed up the country's household saving rate to a multiyear high of 33% in 2022. Economists from HSBC and Morgan Stanley say the end of China's strict zero-Covid policies will at minimum fuel a strong recovery in services spending, lifting consumption growth to at least its prepandemic rate of around 8% a year. A large portion of new deposits accumulated by Chinese households last year was locked up in three-year to five-year deposit instruments, which can't as easily be converted into spending as short-term deposits can, according to a study by research firm Rhodium Group.

Primary Topic: Business Cycle

Topics: Business Cycle, China, Database, Factoid, GDP, News article, Savings Glut/Trade Deficit

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