

Macro Roundup Article

Headline: [Fiscal Policy in the Great Election Year](#)

Article

Link: <https://www.imf.org/en/Publications/FM/Issues/2024/04/17/fiscal-monitor-april-2024>

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Tweet: The IMF notes that China's public debt as a % of GDP (including local governments and government-guided funds) surpassed the US in 2020, and is expected to reach almost 250% of GDP in 2053.

Summary: The overall fiscal deficit in China remained above 7% of GDP in 2023, as a modest increase in revenues offset spending increases. The fiscal deficit is projected to stay elevated and even to gradually rise to about 8% of GDP by 2029 as pension spending and interest expenses gradually rise over the medium term. Despite very favorable interest-growth differentials, persistently large primary deficits are projected to continue raising public debt in the country. Related: China Economy Memo: Tempest in a Teapot or Crisis A-Brewing? and The Debt Supercycle Comes to China and China's Debt Isn't The Problem

Primary Topic: China

Topics: Business Cycle, China, Fiscal Deficits, Fiscal Policy, GDP, Government Spending, Other Source, Weekly

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