

## Macro Roundup Article

**Headline:** [Why China Is Starting a New Trade War](#)

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**Tweet:** Chinese export volumes adjusted for FX rates were up 10% since the end of 2021 relative to 1.5% for the rest of the world. @michaelpettis notes of the export strategy, "The rest of the world wants the opposite. The world cannot accommodate it."

**Summary:** Two principles have guided Xi's thinking, Chinese policy advisers say. The first is that China must build an all-encompassing industrial supply chain that can keep the domestic economy running in the event of severe sanctions by the U.S. and other Western countries. In the top leader's views, advisers say, industrial security sits at the core of China's stability as tensions with the developed world rise. The second is a deep-rooted philosophical objection to U.S.-style consumption, which Xi sees as wasteful. That leaves China with few options other than investing in exports to stabilize its weakened economy and create jobs to make up for losses in domestic construction. The upshot: Rather than Chinese workers losing their jobs, steelworkers in Brazil, chemical engineers in Europe, and solar panel makers in the U.S. may lose theirs.

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**Primary Topic:** China

**Topics:** China, Database, GDP, News article, Savings Glut/Trade Deficit, Trade (not deficits), Weekly

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