

Macro Roundup Article

Headline: [Why Xi Can No Longer Brag About the Chinese Economy](#)

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Tweet: China's "large and adaptive manufacturing base" is an increasingly important military advantage versus the atrophied US defense industrial base. @greg_ip @danwwang

Summary: China's manufacturing prowess is also a formidable military asset. Its gigantic and modernized shipyards already build 46% of the world's ships, enabling it to churn out several new warships and submarines a year. By contrast the U.S. shipbuilding industry, despite a century of protection, has less than 1% of world capacity, leaving the Navy to rely on just a handful of shipyards that lack the necessary workforce to handle rising demand. Deliveries are consistently late and over budget. The shift in warfare toward cheaper, unmanned vehicles also favors China, the world's largest producer of drones. Dan Wang, a visiting scholar at Yale Law School's Tsai China Center said the U.S. leads mainly in knowledge-intensive technologies such as artificial intelligence and biotech rather than physical products. "Imagine a future scenario in which these countries are in serious conflict and trade stops, who do you want to bet on: the country with all the large language models and biotech and business software, or the country with large and adaptive manufacturing base? My money would be on the latter." Related: Pentagon Plan to Buy Thousands of Drones Faces Looming Snags and U.S. Weapons Industry Unprepared for a China Conflict, Report Says and Breaking Down China's Manufacturing

Primary Topic: Security

Topics: China, Op-Ed/Blog Post, Security

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