

## Macro Roundup Article

**Headline:** [As Long As The US Is Outlet For China's Surplus Rumors Of Decoupling Are Overstated](#)

**Article Link:** [https://twitter.com/Brad\\_Setser/status/1723841731395793359](https://twitter.com/Brad_Setser/status/1723841731395793359)

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**Summary:** Now that Europe's current account is back in balance, and Japan is back in surplus, the question of who balances China's current account surplus begs to be answered. There is a risk here, namely that the global economy -- albeit with frictions -- remains relatively integrated. Global politics is far more fractured. There isn't an easy way to solve this dilemma so long as China and others need outlets for their surpluses and equally the US external deficit far exceeds what now can be financed by G-7 countries. Politics and economics diverge, even if the mechanics of measuring bilateral trade and financial flows don't quite capture it.

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**Primary Topic:** Savings Glut/Trade Deficit

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

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