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**China debt drags Australian economy into the mud. China's GDP debt growing 30 per cent annually triggering another global financial crisis.**

## **CHINA DEBT DRAGS AUSTRALIAN ECONOMY INTO MUD**

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China GDP debt drags Australia into the economic mud. China's debt is growing at 30 per cent per annum and will trigger another global financial crisis economists warn.

Published by ABC News, the National Australia Bank (NAB) chief economist Alan Oster is very concerned about China's ballooning debt, currently at 250 per cent of its GDP.

The National Australia Bank has warned that if China does not pull back from its debt indulgence, it will drag Australia through the economic mud and trigger another global financial crisis. China's debt is currently 250 per cent of its GDP, or in layman's terms, it is up to its eyeballs in credit debt. But something even more sinister is at play. Research from the NAB and the Bank for International Settlements show China's debt load is growing at 30 per cent per annum.

The Bank for International Settlements warns China's debt load is far too heavy and, worse still, it is growing at an eye-watering pace. National Australia Bank (NAB) is nervous about China's ballooning debt. Alan Oster said if the Chinese Government does not step in soon the world, and indeed Australia, will face another debt crisis within years. "I think everybody's on the hook," he said.

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### **China's debt is 250% of GDP and 'could be fatal', says government expert**

China's total debt was more than double its gross domestic product in 2015, a government economist has said, warning that debt linkages between the state and industry could be "fatal" for the world's second largest economy. The country's debt has ballooned to almost 250% of GDP thanks to Beijing's repeated use of cheap credit to stimulate slowing growth, unleashing a massive, debt-fuelled spending binge. While the stimulus may help the country post better growth numbers in the near term, analysts say the rebound might be short-lived. China's borrowings hit 168.48 trillion yuan (\$25.6 trillion) at the end of last year, equivalent to 249% of economic output, Li Yang, a senior researcher with the leading government think-tank the China Academy of Social Sciences (CASS), has told reporters.

<https://www.theguardian.com/business/2016/jun/16/chinas-debt-is-250-of-gdp-and-could-be-fatal-says-government-expert>

### **China is the biggest threat to the global economy right now**

A slowdown in China is the greatest threat to the global economy, Kenneth Rogoff, a professor of economics at Harvard University, told the BBC in an interview published on Monday. "I think the economy is slowing down much more than the official figures show," Rogoff, who is a former chief economist of the International Monetary Fund (IMF), told the U.K. broadcaster. He added that China is going through a "big political revolution," hinting at Beijing's high-profile campaign to tackle corruption and transition its economy to being more consumer led. "If you want to look at a part of the world that has a debt problem, look at China. They've seen credit fueled growth and these things don't go on forever," he said.

<http://www.cnbc.com/2016/09/26/rogoff-china-is-the-biggest-threat-to-the-global-economy-right-now.html>

### **Fear that China debt bubble will burst**

China is shaping up as favourite to fall victim to a major banking crisis, according to a dire and frightening warning from the Bank for International Settlements. The scale of China's debt is enough to create major markets shock around the world. Such an event would put Australia's economy directly in the firing line. Making this view all the more formidable is the fact that the Bank for International Settlements which looks after the world's central banks and makes the rules on the strength of banks, has based its concerns on a fairly straightforward measure of the country's debt relative to the size of the economy. Thus there are two problems. The first is that the economy's growth is slowing and the related problem is that the government has taken on debt in order to stimulate it. Chinese have become addicted to debt and weaning off this stimulus will be painful.

<http://www.smh.com.au/business/china/fear-that-china-debt-bubble-will-burst-20160920-grk4yj.html>