

China's faltering growth revives cash vouchers talk

BEIJING, Aug 16 (Reuters) – Another round of bad Chinese economic figures is raising pressure on Beijing to loosen the fiscal spigot further and even dole out shopping vouchers to get growth back towards this year's target of roughly 5%.

After a dismal second quarter, the world's second-largest economy lost momentum further in July: new home prices fell at the fastest pace in nine years, industrial output slowed, export and investment growth dipped and unemployment rose.

Other data beat forecasts, but not for positive reasons. Rising inflation was attributed to bad weather rather than stronger domestic demand, a jump in imports reflected frontloaded chip purchases before expected U.S. technology curbs, and a pickup in retail sales was flattered by low comparisons in 2023.

In all, the data paints a worrying picture for policymakers, who look increasingly likely to ramp up stimulus unless they accept slower growth and the prospect of a downward spiral in consumer and business confidence.

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