Money & capital in Theory and Practice

2018 ASSA-AFEE
Is China living a Minsky Moment?  
Between the ‘Lender of Last Resort’ and the Chinese Shadow Financial System

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Project PAPIIT IN301918
2018-2020
• I. Is China Living a Minsky Moment
• II. Big Government in a Monetary Economic Production
  1. Credit to Non-Financial Corporations
  2. Credit to Households
  3. Credit to General Government
  4. Banking institutions
• III. Channeling and Financialization, a PBOC Concern
• IV. Reflections
Is China Living a Minsky Moment

- Zhou Xiaochuan, People’s Bank of China
- 19th Communist party
- Is this is true?
- China’s debt explosion
- 6 trillion dollars during 2007 to 28 trillion dollars at the end of 2016;
- and from 148% to 260% of the GDP during the same period
FIGURE 1: RELATIONSHIP BETWEEN TOTAL CREDIT AND GDP

FIGURE 2: CREDIT TO NON-FINANCIAL CORPORATION

FIGURE 3: CREDIT TO HOUSEHOLDS

- Households (percentage of GDP)
- GDP (growth rate)

FIGURE 4: CREDIT TO GENERAL GOVERNMENT

- General Government (percentage of GDP)
- GDP (growth rate)

<table>
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<th>Year</th>
<th>Total assets (Trillion USD)</th>
<th>Total deposits (Trillion USD)</th>
<th>Total loans (Trillion USD)</th>
<th>Profit after tax (Trillion USD)</th>
<th>Total liabilities (Trillion USD)</th>
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