

Shadow Banking in China: A looming credit crisis?

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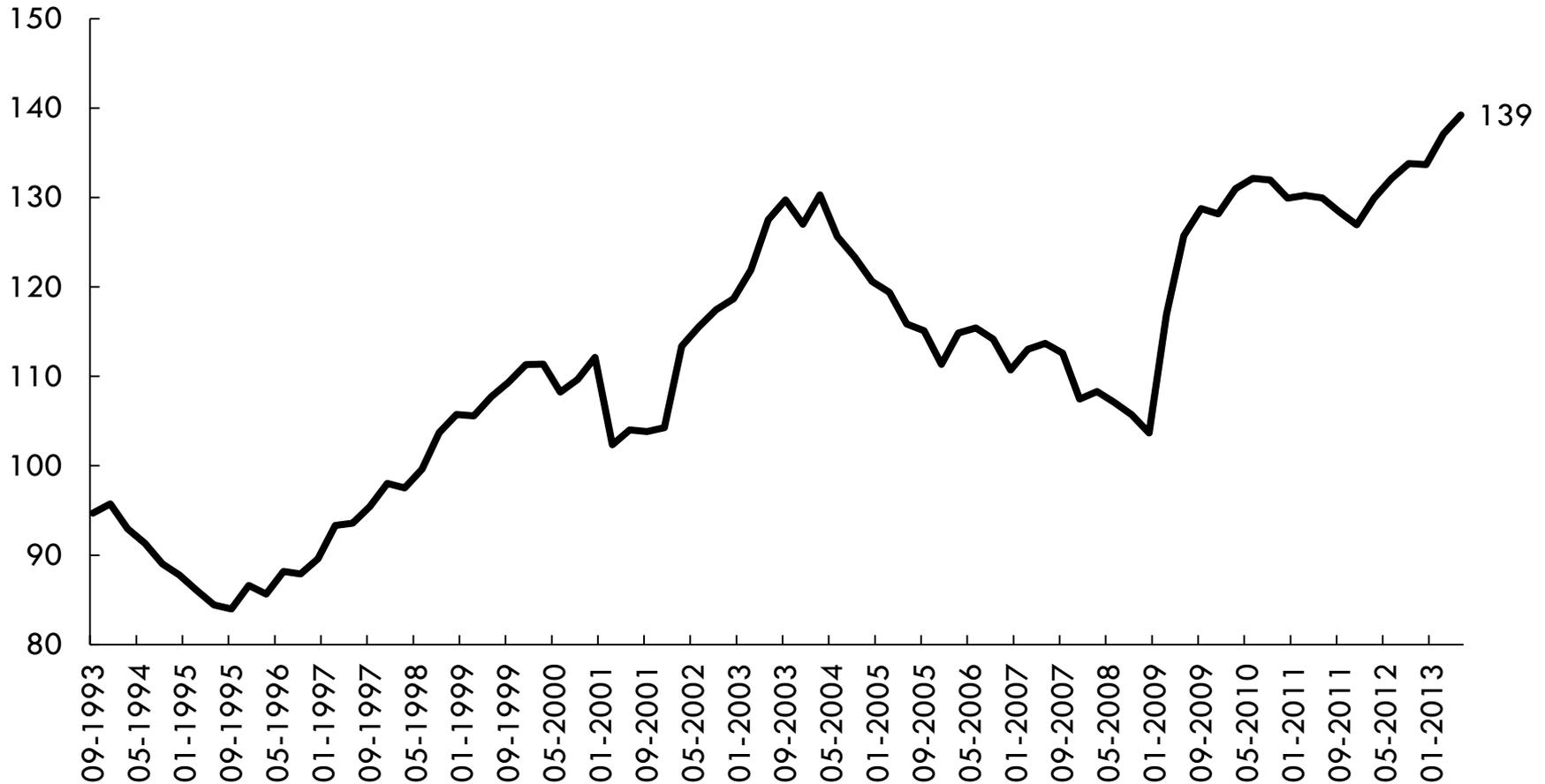


The financial situation in China has become quite alarming. Cracks are appearing all through its financial structure as a result of debt-fueled overinvestment...There's likely to be big trouble coming in the next year or two.

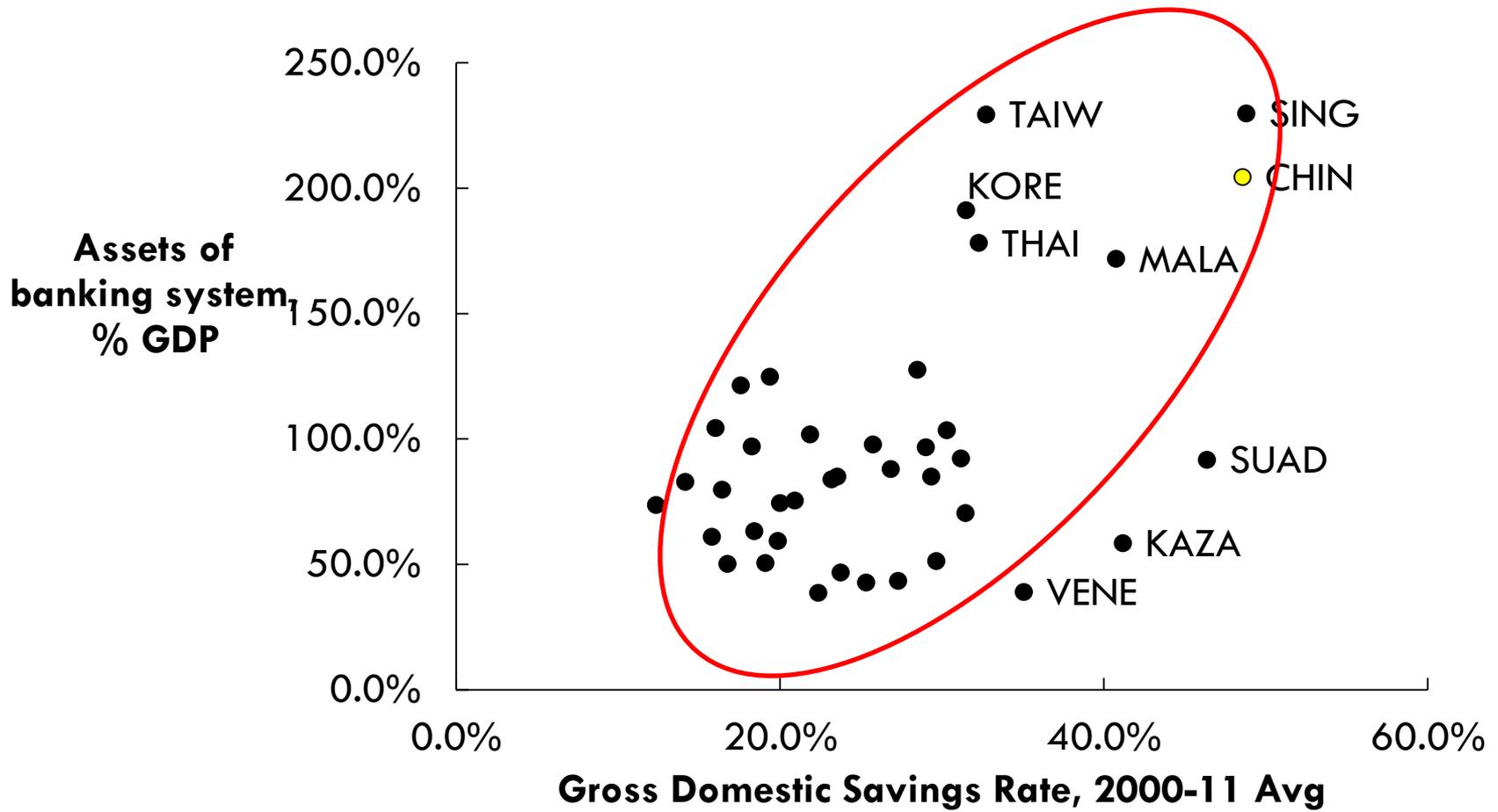
- *George Magnus, a London-based economist and independent advisor to UBS*

Bank credit to the private sector, 1993-2013

Percent of GDP



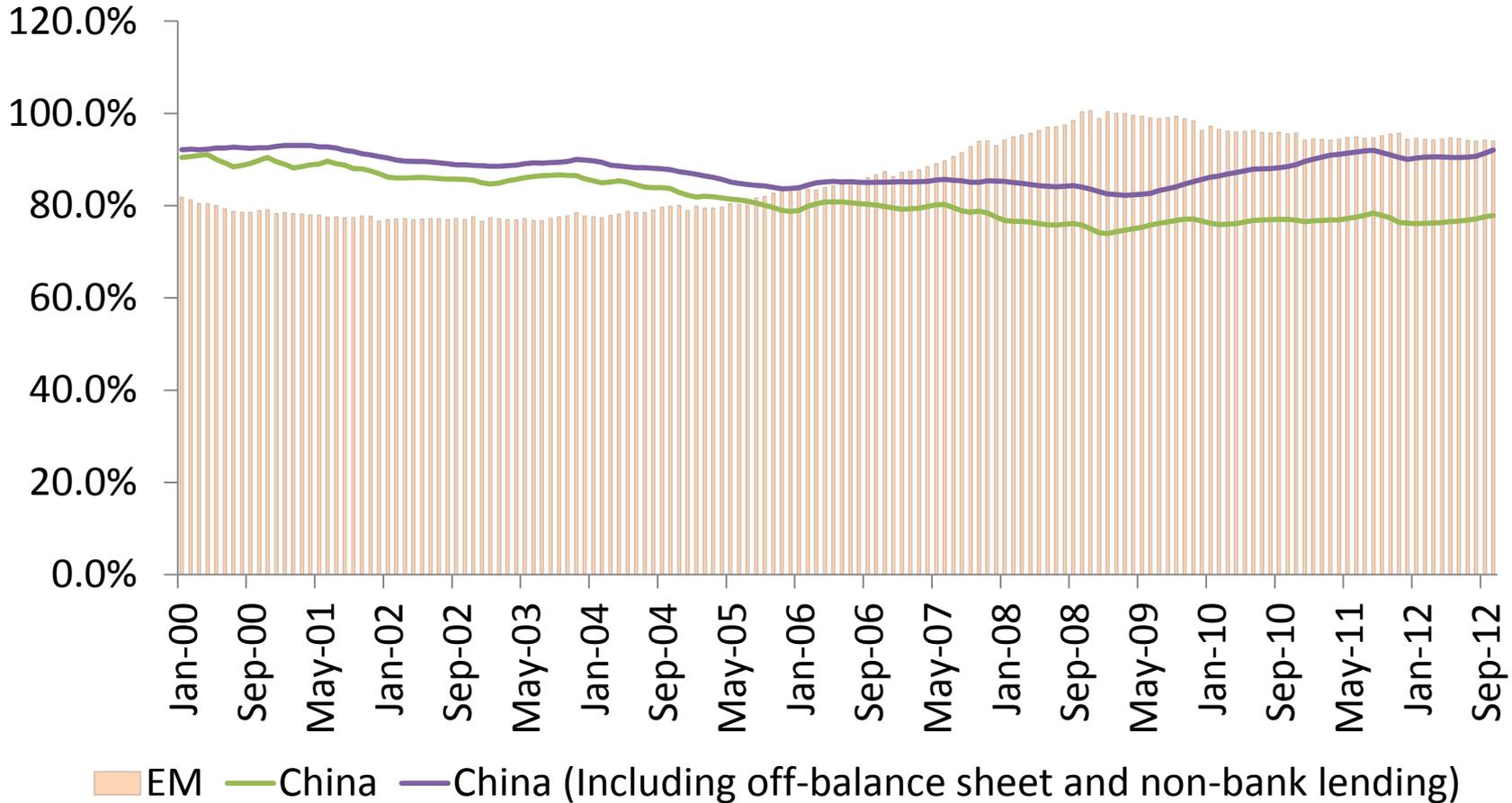
Emerging market banking assets to domestic savings, 2000-2011



Source: Jon Anderson

Total credit to private sector/deposit ratio, 2000-2012

Total credit to private sector/deposits



Source: Jon Anderson