

HAVANA DIARY

"Chinese Chequers"

Fidel Castro Ruz

June 6, 2012. An article entitled "Has China's Economy Run Out of Steam?" was published by BBC World stated the following:

"Several indicators have begun to point to an economic downturn in the country, including sharp slowdowns in electricity demand and industrial production, as well as in factory output and retail sales.

"China has already been suffering for several months from the chill wind blowing from Europe - its biggest export market, even bigger than the US.

"The country's manufacturing sector has been contracting for the last seven months thanks mainly to weak export demand, according to a recent survey."

"Money has more or less stopped flowing into China since September, and in April actually began to leave the country. This is highly unusual."

"To make sure the Yuan doesn't strengthen too much, China blocks speculators from buying the currency.

"For almost two years since mid-2010, the government has dutifully allowed the Yuan to strengthen against the dollar. But in the last month, as the economy has got into trouble, it started to push the Yuan's value down again.

"...many firms financed the import of raw materials such as copper, iron ore and aluminum for the building industry."

"The unused copper shipments piling up in China's warehouses have become so great that there is hardly any space to store the surplus."

"This could of course be nothing more than a short-term blip. But the fear is that it could be the beginning of the end of a building boom that has created far more apartments than the country really needs."

"There are stories of entire new ghost towns having been built.

"It seems many of these empty flats were being bought by Chinese businesses and families as an investment, in preference to leaving their money in a low-interest bank account."

"China's growth rate barely dropped below the magic 10% figure at a time when the West fell into its deepest recession since World War II."

"For example, China has built the world's biggest high-speed rail network, five times the size of France's TGV, from scratch.

"China is in the middle of a delicate transition, with a new generation of leaders taking over - something that only happens every 10 years.

"There is a political struggle going on - evidenced by the removal of the colorful Chongqing governor Bo Xilai.

"A lot of party members have personally done very well out of the building and lending boom of the last three years. If the boom is coming to an end, they will be even more keen not to be among the inevitable losers.

"How that struggle plays out - especially if China faces a lot of unemployed workers protesting on the streets - is anyone's guess."

I am far from sharing that sinister false rumor spread by the Yankees about China's destiny, and I wonder if we could ignore the fact that China has the biggest reserves of rare earth metals of the world and huge stocks of shale gas, which will allow it to exercise its power over the world's energy production when the power of lying and subjugation come to an end. It is too much already. □□□