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Article: As China's Economy Slows, the Pain Hits Home

The article is about an economic slowdown in China. The China economy has been slowing down, and there are worries from investors and economists of the slowdown worsening (Eichengreen, Park & Shin, 2012). The Chinese economy is self-sufficient, but the current trends in the market are deteriorating the economy.

1. There is a decrease in consumption of local products by the local consumers that is greatly affecting both the factories and the farm products.
2. The Chinese economy is importing more products that compete unfairly from emerging markets.
3. The high levels of inflation and high wage ate for blue colour jobs in China have increased cost of production of commodities. This has given the small emerging markets a completive advantage over domestic production.
4. Change in consumption pattern has also affected the demand of local products. More Chinese people are opting to consume dairy products, beef and chicken that are imported from Argentina and Uruguay.
5. The low production of Iron together with other local commodities is affecting most people in china although the general price of commodities has decreased.

Looking at issue in china, the economic concepts of supply and demand and cost of production apply. There is a shift in the society in consumption, and there is increased the demand dairy products, beef and chicken from international markets and a decrease in demand for local products (Keith, 2014). This means that local suppliers are selling less and affected by the

consumers trend. The high inflation rates and high wage rate for blue colour jobs have escalated the cost of production in the country making the local products more expensive. This also contributes to increased levels of import (Wei, 2013).

I agree with the author's comments that the increased imports are worsening the China slowdown. The cheap imports are taking over the market and local firms thus lack customers for their products.

References

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