

China Watch

A hefty [US](#) import tax on goods produced in [China](#) could accelerate a trend already well under way: Chinese companies setting up factories and expanding in the [US](#). Manufacturers in [China](#) face a host of pressures. Wages have risen substantially, while land and electricity prices are up. This challenges China's decade-long orthodoxy of producing mass-market goods at extremely low cost.

China's [bad loans](#) totalled a whopping \$220 billion last year with the provincial governments causing most of them due to their penchant for infrastructure overdrive, a banking report said .About 90 per cent of 1,794 bankers surveyed regarded risk management from bad loan pressure as the biggest challenge last year, state-run Xinhua news agency quoted a report by the [China](#) Banking Association.