

Newsletter

## Powell's China Challenge



By [Malcolm Scott](#)

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This year, history may be about to repeat, or at least rhyme, with Jerome Powell's plans to slow his inflation fighting campaign set to be complicated by China's rapid recovery after the sudden end of Covid-Zero restrictions.



The reopening will provide a boost to global growth, offsetting weakness in Europe and a looming recession in the US, Bloomberg's reporters and economists write in today's [BigTake](#). The catch: It'll also boost [inflation](#).



[Bloomberg Economics](#) forecasts an acceleration in [China's GDP](#) to 5.8% in 2023 from 3% last year. Modeling the relationship between China's growth, energy prices and global inflation suggests that'll push up consumer prices.