

# China foreign exchange reserves top \$1.9 trillion

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Chinese customs on Monday said China's trade surplus in September hit a new monthly high of \$29.3 billion, with both imports and exports growing at more than 21 percent over the same month last year.

Analysts believe China holds up to 70 percent of its foreign reserves in U.S. dollar-denominated assets, including Treasury securities and debt issued by other government agencies such as Fannie and Freddie.

Chinese investors hold a total of \$376 billion in U.S. government agency debt, according to Moody's (nyse: MCO - news - people ) Economy.com.

On July 31, 2008, the total federal debt stood at \$9.586 trillion. Of that amount, \$4.182 trillion was owed to the various "trust funds" (e.g., Social Security, Medicare, federal employees retirement funds, etc.) because the government "borrowed" that money from them. That leaves \$5.404 trillion of debt "held by the public." Of that amount, \$2.728 trillion is held domestically by banks, mutual funds, and other U.S. investors. This leaves \$2.676 held by foreign countries, institutions and individuals.

## Notes:

1 Oil Exporters includes: Ecuador, Venezuela, Venezuela, Indonesia, Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia, the UAE, Algeria, Gabon, Libya and Nigeria.

2 Caribbean Banking Centers includes: Bahamas, Bermuda, the Cayman Islands, Netherland Antilles, Panama, and British Virgin Islands.

Note: EPI was talking about this over five years ago

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## Fast Track to Trade Deficits

Fast track is guaranteed to accelerate expansion of a trade deficit that erodes jobs and incomes, add to the growing burden of foreign debt, ...

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