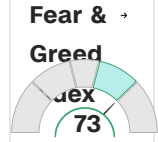


ets →
 38,521.360.37% ▲
 S&P 500 4,954.230.23% ▲
 NYSE Comp. 15,609.000.07% ▲

Hot Stocks →



Latest Market News →

Market pushed customers to the bottom on price. They're starting to push back.

Department of Education investigated Harvard after Palestinian and Muslim students complained.

Snap shares plunged 3% in the wake of quarterly loss, layoffs.

BEFORE/THE BELL

Business / Investing

The US is pulling ahead in the economic race with China



AudioLive TV





The New York Stock Exchange (NYSE). Michael Nagle/Bloomberg/Getty Images

A version of this story first appeared in CNN Business' Before the Bell newsletter. Not a subscriber? You can sign up [right here](#). You can listen to an audio version of the newsletter by clicking the same link.

New York (CNN) — The US economy is growing faster than Wall Street expected, markets are soaring and inflation is approaching the Federal Reserve's 2% target. It appears that a soft landing, where price rises are tamed and the economy manages to avoid recession, is possible.

Meanwhile, China's economy appears to be in distress. Markets are mired in a protracted slump, consumer confidence is weakening, growth is easing and the population is shrinking. A court has just ordered the winding up of Evergrande, with unpredictable consequences for China's real estate crisis.

So what does that mean for relations between the first- and second-largest economies in the world?

Before the Bell spoke with Eswar Prasad, a professor of trade policy at Cornell University and former head of the International Monetary Fund's China division.

The interview was conducted over email. It has been edited for clarity.

Before the Bell: Is it fair to say that the US is outpacing China in the race for economic supremacy?

Eswar Prasad: The US has solidified its position as the main driver of global growth, which is all the more striking as the rest of the world is struggling to maintain decent growth.

Just last year people might have said the opposite — that the US was heading towards recession and the Chinese economy was thriving. What changed?

It is remarkable to see the US economy blazing ahead while the Chinese economy sputters and slips into deflation. This difference is mainly due to the innate resilience of the US economy while China continues to be held back by a number of short-term and long-term problems. These problems include a declining labor force, a property market that is unraveling, and a loss of household and

business confidence in the government's policies.

RELATED

X

The strong performance of the US economy and falling growth in China together make it less obvious that China's economy will someday overtake that of the US in terms of annual GDP, a proposition that was once considered a near certainty.

How does this factor in to rising tensions between the US and China?

China's weak economy and uncertain growth prospects are no doubt making the Chinese government more eager to reduce trade tensions with the US, since those tensions are adding to already uncertain growth prospects and hurting business confidence.

Both the US and Chinese governments do seem eager to prevent any further escalation of trade hostilities, particularly since rhetoric against China is going to get more heated in the US as the election season draws near.

What else should investors be aware of when they read about the Chinese economy?

Reflecting its concerns about the weak economy and falling stock prices, the Chinese government has increased government spending, cut interest rates and taken measures to prop up the property and stock markets.

These measures are having limited effect since they haven't by themselves done much to solve the fundamental problem of weak household and business confidence, which is holding back household consumption and private investment.

JPMorgan Chase's succession plan

Jamie Dimon is one of the most well-known and closely listened to CEOs in the world. Over the course of his tenure at JPMorgan Chase, he's become somewhat synonymous with the largest US bank by assets.

But Dimon can't lead forever, and as he approaches his 68th birthday, the question of succession has grown more important.

This week, JPMorgan announced that it's shaking up its top brass, perhaps in a bid to find an answer to that pressing question: Who comes next?

The bank has appointed Marianne Lake as the sole CEO of the consumer division, an area previously run by both Lake and Jennifer Piepszak, according to a [filing](#) on Thursday.

Piepszak, meanwhile, will lead the company's newly combined commercial and investment bank with her co-CEO Troy Rohrbaugh. Rohrbaugh is the former head of trading and securities services for the bank.

Dimon has made it clear that he's happy in his current role for now, and why wouldn't he be? Dimon has built a banking empire at JPMorgan Chase, and his advice is sought by [presidents](#), prime

ministers and central bankers.

RELATED

X

Still, he hasn't entirely ruled out a future in politics. Last spring he told Bloomberg, "I love my country, and maybe one day I'll serve my country in one capacity or another."

The NSA buys Americans' internet data, newly released documents show

It's no secret that advertisers love to track what we do online. But a disturbing new revelation shows that our search history travels further than we think.

The National Security Agency has been buying Americans' web browsing data from commercial data brokers without warrants, intelligence officials disclosed in documents made public by a US senator Thursday, reports my colleague Brian Fung.

The purchases include information about the websites Americans visit and the apps that they use, said Oregon Democratic Sen. Ron Wyden, releasing newly unclassified letters he received from the Pentagon in recent weeks confirming the sales.

The disclosures are the latest evidence that government agencies routinely buy sensitive information about Americans from commercial marketplaces that they would otherwise be required to obtain via court order.

And it comes amid rising concerns that foreign governments are doing the same; CNN reported earlier this week that the Biden administration is preparing an executive order meant to curb foreign purchases of US citizens' personal data.

[Read more here.](#)

MORE FROM CNN BUSINESS



SpongeBob SquarePants is going to announce this Super Bowl broadcast



Fake Biden robocall linked to Texas-based companies, New Hampshire attorney general announces