

## Greece has been good news for China

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Whilst markets and the media have obsessed about Greece China;s stock market, and with it the hopes of many middle class Chinese savers, have gone into meltdown.

As the [FT reports this morning](#), more than a third of its value (or \$3 trillion) has disappeared in 3 months and more than half the shares in the market are now suspended from trading to prevent further routs. Without government intervention the situation would undoubtedly be much worse.

Now I am aware that the Chinese market is isolated and was massively over-heated, but if you're looking for contagion look further east than Greece. This one is worrying because China is a vastly bigger economy than Greece could ever be, and the impact will be much, much bigger.

The bigger picture is not good. Crashes can still happen and we're almost certainly nearer the next in the UK than we are the last. That's why austerity that destroys our capacity to cope is so wrong.