

China's Export Growth Sinks in Aug, Imports Shrink

Exports rise 7% yoy, decelerating from July's 18% expansion; imports contract 0.2% compared with previous month's already weak 2.3% growth

Beijing: China's trade weakened in August as high energy prices, inflation and anti-virus measures weighed on global and Chinese consumer demand, while imports of Russian oil and gas surged.

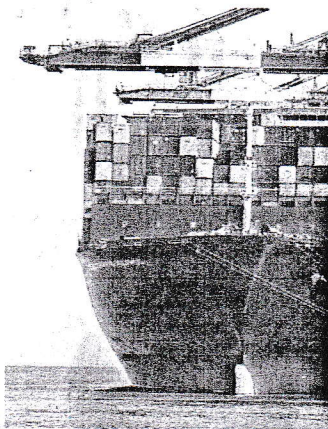
Exports rose 7% over a year ago to \$314.9 billion, decelerating from July's 18% expansion, customs data showed Wednesday. Imports contracted by 0.2% to \$235.5 billion, compared with the previous month's already weak 2.3% growth.

Demand for Chinese exports has softened as Western economies cool and the Federal Reserve and central banks in Europe and Asia raise interest rates to contain surging inflation. At home, repeated closures of Chinese cities to fight virus outbreaks has weighed on consumers' willingness to spend.

"The slowdown in China's export sector is adding to headwinds for the Chinese economy," said Rajiv Biswas of S&P Global Market Intelligence in a report. Lack of import growth highlights "continued weakness of Chinese domestic demand."

Growth in the world's second-largest economy fell to 2.5% in the first half of 2022, less than half the ruling Communist Party's 5.5% annual target, after Shanghai and other industrial centers were shut down to fight virus outbreaks.

Factories have reopened, but restrictions more recently in areas including the southern business center of Shenzhen weighed on activity. **AP**



Foreign Exchange Reserves Drop to Near Four-Year Low



China's foreign exchange reserves declined for a second straight month to the lowest since October 2018 as global financial asset prices dropped, according to the government. Reserves decreased to \$3.0549 trillion as of the end of August, down \$49.2 billion from a month ago, data released by the People's Bank of China showed. That was slightly below the median estimate of \$3.065 trillion in a Bloomberg survey of economists. The fall was due to drops in asset prices as the dollar strengthened, Wang Chunying, spokeswoman at the State Administration of Foreign Exchange, said in a statement. **Bloomberg**