

China's July exports tumble 14.5%

Press Trust of India
Beijing

China's exports plunged by 14.5 per cent in July compared with a year earlier, adding to pressure on the ruling Communist Party to reverse an economic slump.

Exports fell to \$281.8 billion as the decline widened from June's 12.4 per cent fall, customs data showed Tuesday. Imports tumbled 12.4 per cent from a year earlier to \$201.2 billion in a sign of weak domestic demand, widening from the previous month's 6.8 per cent contraction.

The country's global trade surplus narrowed by 20.4 per cent from a record high a year ago to \$80.6 billion.

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Chinese leaders are trying to shore up business and consumer activity after a rebound following the end of anti-virus controls in December fizzled out earlier than expected.

ON THE DOWNTREND

The ruling party has promised measures to support en-

trepreneurs and to encourage home purchases and consumer spending but hasn't announced large-scale stimulus spending or tax cuts.

Demand for Chinese exports cooled after the Federal Reserve and central banks in Europe and Asia started raising interest rates last year to cool inflation that was at multi-decade highs.

The export contraction was the biggest since the start of the Covid-19 pandemic in 2020, according to Capital Economics. It said the decline was due mostly to lower prices, while volumes of goods were above pre-pandemic levels.

"We expect exports to decline further over the coming months before bottoming

out toward the end of the year," said Capital Economics.