

China export growth slips to six-month low as US orders drop

Bloomberg

China's export growth fell short of forecasts and slowed to the weakest in six months, as shipments to the US plunged at a faster rate.

Sales abroad rose 4.4 per cent in August from a year earlier to \$322 billion, according to a statement from the General Administration of Customs on Monday. That was weaker than the median estimate in a Bloomberg survey for 5.5 per cent growth.

RAPIDLY SHIFTING

China's trade has been rapidly shifting this year after President Donald Trump's tariffs slashed direct demand from the US. Companies responded by trying to seek out alternative markets or shipping indirectly to the world's biggest economy. Exports to the US fell 33 per cent in Au-

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gust, the fifth month of double-digit declines. Meanwhile, shipments to the 10-nation Southeast Asian trading bloc rose almost 23 per cent, while exports to the European Union climbed 10 per cent and those to Africa were up 26 per cent.

Still, falling prices and cut-throat competition mean that many companies are in the red despite the rising export revenue, with industrial

profits falling almost 2 per cent in the year through July.

FALL IN EXPORT PRICES

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The continued rise in volumes is visible in container data. Shanghai's port handled a record number of containers last month and all terminals in China processed more than 6.5 million containers for each of the past five weeks.

TRADE SURPLUS

Imports climbed 1.3 per cent in August, leaving a trade surplus of \$102 billion. China's surplus is still on course to handily exceed last year's record of almost \$1 trillion, with overseas sales making up for weaker domestic demand.