6.6% GAIN IN DECEMBER THE QUICKEST IN THREE MONTHS

China trade surplus hits record $1.2 trn in 2025

Factories make deeper inroads into markets beyond US

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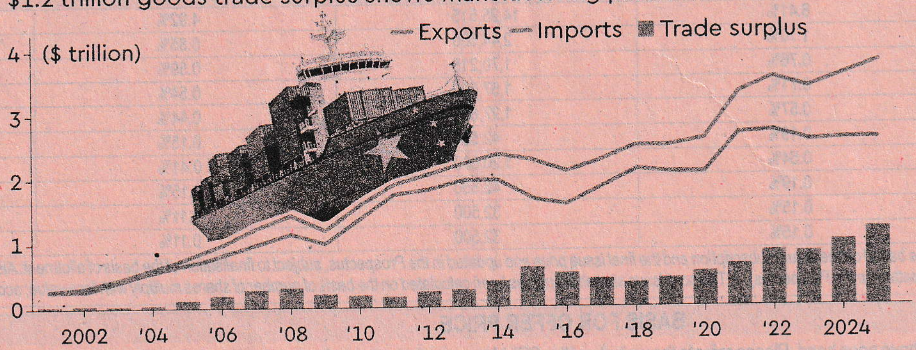
ON A HIGH

$1.2 trillion goods trade surplus shows manufacturing prowess



Source: China's general administrations of customs; Bloomberg

CHINA'S EXPORTS ENDED last year with a growth spurt and sent its trade surplus to a record $1.2 trillion in 2025, extending a boom that's seen factories escape Donald Trump's tariffs by making deeper inroads into markets beyond the US.

The resilience was the biggest surprise for an ailing Chinese economy last year and could cushion it in the months to come. Defying expectations for a slowdown, exports picked up last month — a feat given a high base of comparison from a year ago, when Trump's re-election to the presidency sparked panicked front-loading of orders.

The 6.6% gain in December was the quickest in three months, official data showed on Wednesday, and faster than any forecast in a Bloomberg survey of economists.

"We expect export resilience to extend into this year, with exports remaining an important growth driver and partially offsetting weaker domestic demand," Barclays economists including Ying Zhang wrote in a report.

The combined increase in shipments to Southeast Asia and Europe more than offset a deepening contraction in sales to the US last year.

A surge in exports of high-end goods shows the headway China has made in moving up the value chain, which also led to its shrinking imports for products like cars. And as supply chains shift overseas, the construction of factories elsewhere — partly driven by Chinese investment — is pushing up demand for Chinese components, equipment and machinery. The factors driving China's booming trade and large surpluses are unlikely to fade soon.

The country's current account surplus — a measure of trade in goods and services — was projected by the International Monetary Fund at 3.3% of gross domestic product last year. That would be the highest level since 2010, when the country's last great export upswing was tapering off following its ascension into the World Trade Organisation (WTO) in the early 2000s.

The swelling trade surplus also underscores the imbalance between China's manufacturing strength and stubbornly weak domestic consumption. It's a vulnerability likely to persist into this year and beyond.

While exports have powered the world's second-biggest economy, its years-long property slump and falling investment are restraining the country's appetite for foreign goods, reducing imports such as crude oil.