

TRADE

Mainland export growth slowed sharply last year

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China's export growth decelerated sharply to 0.5 per cent in 2019 in US dollar terms from a rise of 9.9 per cent in 2018 amid the trade war with the United States, according to data released yesterday.

Zou Zhiwu, a deputy minister at the General Administration of Customs, confirmed the slowdown at a press conference after Beijing had initially released its 2019 trade figures only in yuan terms.

Imports, meanwhile, fell by 2.8 per cent in 2019 in US dollar terms.

In yuan terms, China's exports expanded by 5 per cent in 2019, while imports grew 1.6 per cent.

In US dollar terms, China's exports grew by 7.6 per cent in December, up from minus 1.3 per cent in November. Imports rose 16.3 per cent in December, up from 0.3 per cent in November, with both figures well above analysts' expectations.

Measured in yuan, China's exports rose 9 per cent in December from a year earlier, while imports surged 17.7 per cent in the last month of 2019, pointing to strong demand in the world's second biggest economy.

Zou added that the sharp rebound in imports in the last month of 2019 was pushed up by China's renewed purchases of US pork and soybeans after Beijing issued tariff waivers to purchase such products in early December.

Trade value with the US dropped 10.7 per cent in the 2019 amid the long-running trade war, the customs data showed, making it China's third largest trading partner behind the European Union and the Asean region.

China's trade balance in 2019 reached 2.92 trillion yuan (HK\$3.3 trillion), a rise of 25.4 per cent from 2018, in yuan terms.

"While headline trade growth surged in December, this is more a reflection of base effects and price effects than of current strength," Julian Evans-Pritchard, senior China Economist at Capital Economics, said.

China's imports from the US plunged 20.9 per cent in 2019 from a year earlier.

According to the official data, China's imports of US goods dropped to US\$122.7 billion in 2019 from US\$155.1 billion in 2018 and US\$154 billion in 2017.

This means that Beijing would have to more than double its imports to meet US demands for US\$200 billion in additional purchases of American goods and services over the next two years.