

Macro Note

China: Export jumped in March ahead of more tariff uncertainty

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- The tariff uncertainty has driven more frontloading activities in March. **In USD-terms, exports surged by 12.4% y/y (Bloomberg est: 4.6%, Feb: -3.0%) while it rose 13.5% y/y in CNY-terms (Feb: -1.9%).** Exports to its key markets were higher, including to ASEAN (+11.6% y/y), EU (+10.3% y/y) and the US (+9.1% y/y). Shipments of mechanical & electrical products, LCD panels, automotive parts, garments and semiconductors registered strong growth in March.
- However, **the larger-than-expected drop in imports by -4.3% y/y (Bloomberg est: -2.1%, Feb: 1.5%) in USD-terms and by -3.5% y/y (Feb: 2.5%) in CNY-terms** continued to indicate a weak domestic demand in China. China's imports from Taiwan (+34.5% y/y) and ASEAN (+9.8% y/y) rose but its imports from sources such as the US (-9.5% y/y) and EU (-7.5% y/y) contracted. While imports of aircrafts and computers soared ahead of more tariffs, weak demand for other consumer goods suggested a more cautious outlook. In volume terms, imports of commodities were weaker for soya beans, iron ore, coal, LPG and refined petroleum products in March compared to the same period last year.
- As such, China's **trade surplus** widened sharply to US\$102.64 bn in March from a monthly average of US\$85.26 bn in the first two months of this year. Overall, China recorded a trade surplus of US\$272.97 bn in 1Q25, of which US accounted for US\$76.63 bn.
- **Overall in 1Q25, China's exports rose 5.8% y/y while imports contracted by -7.0% y/y.** Export gains were seen across its key markets including to ASEAN (+8.1% y/y), US (+4.5% y/y) and EU (+3.7% y/y). However, China imported less from EU (-6.3% y/y) and US (-1.4% y/y) while registering a modest gain for ASEAN (+2.8% y/y) in 1Q25.
- **The temporary exemption of smartphones, computers and some other electronic devices from "reciprocal" tariffs (at 125% for Chinese goods) that was announced on 11 April may see further room for some frontloading of tech exports before Trump unveils sector specific tariffs on semiconductors and critical technology products from China.** Trump's latest exemptions apply to around a fifth (US\$100 bn) of US' imports from China, providing some cushion against products hit by the hefty "reciprocal" tariffs. The decoupling of US-China trade will have a significant impact on China's export outlook. Despite the strong export growth in 1Q25, the momentum is expected to reverse as more tariffs set in and until US and China can arrive at a resolution to prevent further escalation in trade tensions.
- We previously factored in marginal growth of around 1.0% for both China's export and import in 2025 compared to growth of 5.9% and 1.1% respectively in 2024. **However, downside risks have increased with a full-year contraction likely especially for imports.**

Foreign trade in USD and CNY terms

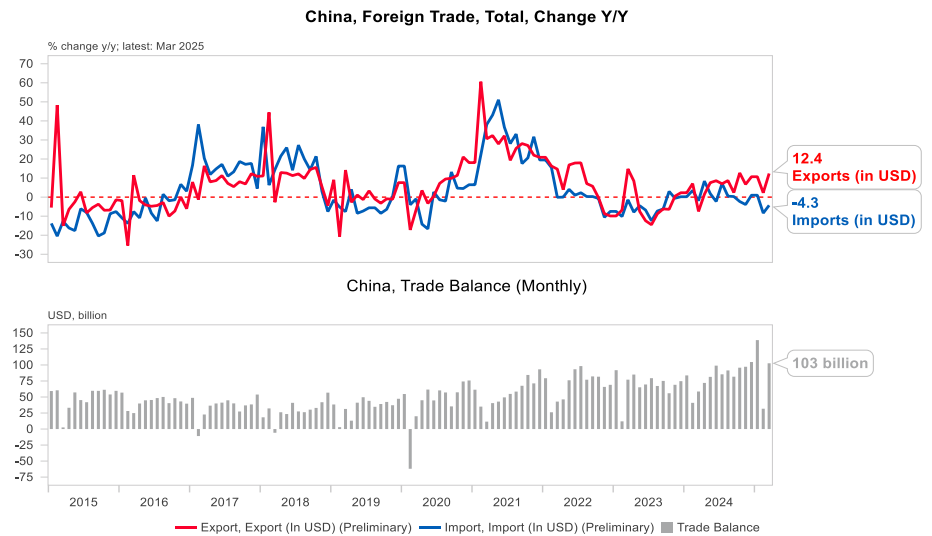
Source: Macrobond, UOB Global Economics & Markets Research

Latest = March 2025	y/y % change	Latest	1-mth ago	1-yr ago
	-10.0 -7.5 -5.0 -2.5 0.0 2.5 5.0 7.5 10.0 12.5 15.0			
Export (In USD)		12.4	-3.0	-7.6
Import (In USD)		-4.3	1.5	-2.0
Export (In CNY)		13.5	-1.9	-3.8
Import (In CNY)		-3.5	2.5	2.0

■ Latest ● 1M ago ▲ 1Y ago

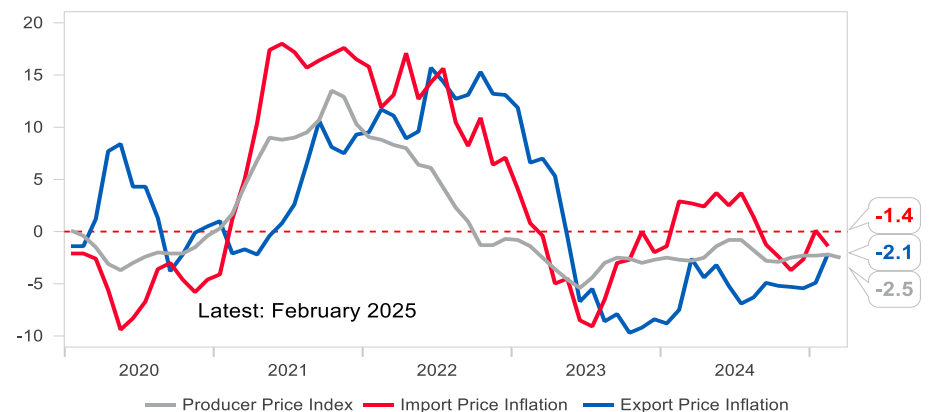
Export surged but import contracted by larger-than-expected pace with trade surplus rising to US\$103 bn in March

Source: Macrobond, UOB Global Economics & Markets Research



Export price deflation persists as producer prices continued to fall (% y/y)

Source: Macrobond, UOB Global Economics & Markets Research



Export performance by key markets

Source: Macrobond, UOB Global Economics & Markets Research

China: Top Export Markets by Month

	% y/y change	Latest	2/2025	1/2025	12/2024	11/2024	10/2024	9/2024	1Y ago
	-5 0 5 10 15 20 25 30	3/2025							3/2024
Thailand		27.8	8.7	14.6	28.5	22.0	16.9	8.7	-5.1
India		27.3	7.8	7.5	0.0	2.1	3.8	-9.3	-19.2
Indonesia		24.6	-0.4	10.9	51.0	20.3	28.1	12.5	-25.4
Vietnam		18.9	36.2	-0.5	13.9	12.8	15.6	8.1	0.0
United Kingdom		16.3	-13.9	15.5	3.1	-0.3	8.1	-7.6	-14.1
Brazil		12.2	-28.8	14.2	5.6	10.1	24.5	8.6	-1.9
Germany		11.9	-12.2	15.2	12.5	12.9	19.8	9.7	-12.4
ASEAN		11.6	8.8	3.2	18.9	14.9	15.8	5.5	-6.3
New Zealand		10.6	-26.2	-0.6	1.1	-7.9	18.3	-23.8	-8.3
European Union (EU)		10.3	-11.5	10.8	8.8	7.2	12.7	1.3	-14.9
Philippines		9.3	8.5	-0.2	8.0	2.8	4.2	-8.6	-25.2
United States		9.1	-9.8	12.1	15.6	8.0	8.1	2.2	-15.9
Italy		8.4	-11.3	2.6	6.2	23.0	7.6	-8.6	-8.0
Hong Kong		7.8	42.8	-14.5	-7.6	-2.7	2.1	5.7	-1.4
Japan		6.7	0.5	0.8	-4.2	6.3	6.8	-7.1	-7.8
South Africa		6.3	-23.0	2.5	9.9	12.2	11.2	-13.9	-22.2
France		4.6	-12.9	10.3	10.7	1.7	20.3	12.5	-2.4
Russia		1.9	97.2	n/a	5.5	-2.5	26.7	16.6	-15.7
South Korea		-0.9	-2.8	-2.7	4.0	-2.6	5.0	-9.2	-12.1
Malaysia		-2.7	9.8	5.3	19.3	28.3	24.7	12.6	1.9

Exports of key commodities

Source: Macrobond, UOB Global Economics & Markets Research

China: Exports of Key Commodities (%/y change, monthly)

Latest = March 2025	%/y change	Latest	1M ago	1Y ago
	-25 -20 -15 -10 -5 0 5 10 15 20 25			
Other, Lamps, Lighting Fittings & Parts		22.7	-22.6	-31.7
Food, Aquatic products		17.8	2.3	-18.7
Textiles, Textile Yarn, Fabrics & Made-Up Articles		16.1	-2.3	-19.5
Electrical Equipment, Mechanical & electrical products		13.4	3.8	-8.8
Electrical Equipment, Liquid crystal display panel		13.2	5.6	2.9
Motor Vehicles, Automotive Parts		12.5	0.3	-6.8
Other, Agriculture Products		10.4	2.7	-7.8
Garments, Shoes & Hats, Footwear & Parts		9.5	-18.8	-31.0
Garments, Shoes & Hats, Garments & Clothing Accessories		8.8	-7.4	-22.6
Electrical Equipment, Electronic Integrated Circuits		7.9	11.0	11.5
Electrical Equipment, Wireless Telephone Handsets & Parts		7.7	-3.6	1.7
Rubber & Plastic Products, Plastic Articles		7.3	-8.9	-15.9
Electrical Equipment, Hi-Tech Products		7.3	5.0	-2.7
Other, Furniture & Parts		7.2	-16.2	-12.3
Other, Pottery		6.9	-31.6	-36.8
Other, Toys		5.1	-12.0	-24.7
Metals & Metal Products, Unwrought Aluminium & Aluminium		4.9	-5.5	-4.3
Machinery & Transport Equipment, Ship		1.9	2.4	34.0
Machinery & Transport Equipment, Motor Vehicles & Chassis		1.6	2.5	28.4
Machinery & Transport Equipment, Automatic Data Processing Machines & Units		0.8	10.1	4.9
Garments, Shoes & Hats, Suit-case, Hand bags & Similar Items		-2.7	-20.9	-27.7
Metals & Metal Products, Products of Steel or Iron		-6.4	-3.9	-24.1
Medicines & Health, Chinese Medicine & Related Products		-15.6	-21.0	-3.2
Petroleum & Coal Products, Refined Petroleum Products		-20.8	-25.8	11.6
Metals & Metal Products, Rare-Earth Ore, Metals & Compounds		-24.9	-0.4	-31.3

Imports from key market sources

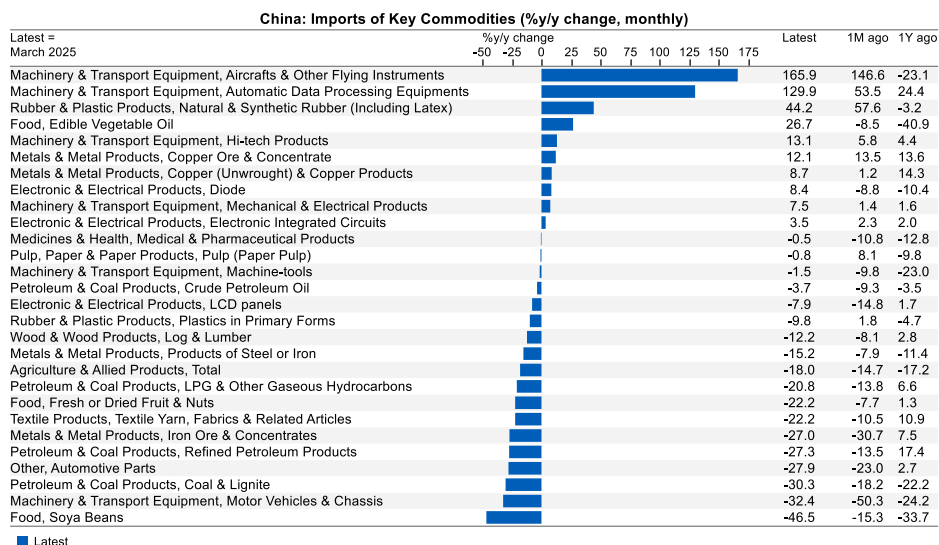
Source: Macrobond, UOB Global Economics & Markets Research

China: Top Import Sources by Month (% y/y change)

	% y/y change	Latest	2/2025	1/2025	12/2024	11/2024	10/2024	9/2024	1Y ago
	-20 -10 0 10 20 30 40	3/2025							3/2024
Taiwan		34.5	17.4	2.1	14.4	4.5	15.5	11.0	-9.1
Malaysia		22.2	7.4	-5.0	12.0	4.4	-3.1	4.2	-3.5
New Zealand		18.1	22.9	0.0	18.7	3.6	-13.4	-0.3	-19.8
Thailand		12.6	28.4	-9.4	3.1	-0.7	-8.1	-4.2	-15.9
Philippines		11.8	15.9	-8.6	6.7	-0.5	-4.9	-0.2	-12.8
Indonesia		10.6	4.5	-1.1	1.6	7.0	-5.5	7.9	-19.6
ASEAN		9.8	8.9	-8.8	5.4	-3.0	-7.3	4.2	-3.9
Hong Kong		2.3	45.0	-25.7	73.4	151.7	169.8	-13.6	6.3
Vietnam		-0.4	13.6	-19.0	0.6	-17.4	-13.5	5.4	18.9
South Korea		-1.8	5.7	-5.7	19.7	7.1	14.5	2.6	8.4
France		-2.6	14.3	-20.8	2.8	0.2	-0.3	-12.4	-11.8
Singapore		-2.7	-3.2	-7.4	15.7	-10.6	-12.0	3.7	14.8
Japan		-3.1	6.9	-15.6	6.3	-2.5	0.8	-7.1	-8.5
Germany		-6.5	13.6	-19.2	-9.6	-6.0	-7.8	-4.9	-13.7
European Union (EU)		-7.5	8.0	-16.4	-4.9	-6.6	-6.1	-3.5	-7.3
United States		-9.5	9.7	-5.4	2.6	-11.2	6.6	6.7	-14.3
Saudi Arabia		-9.6	-9.6	-15.7	-5.0	-12.4	-25.8	0.7	-25.5
Russia		-10.6	102.6	n/a	-4.7	-6.5	-2.8	-8.4	8.4
Italy		-10.7	5.0	-24.8	5.3	-12.2	-2.0	-8.2	-3.3
United Kingdom		-17.4	4.7	-15.2	-10.2	11.9	-1.8	-12.5	-1.8

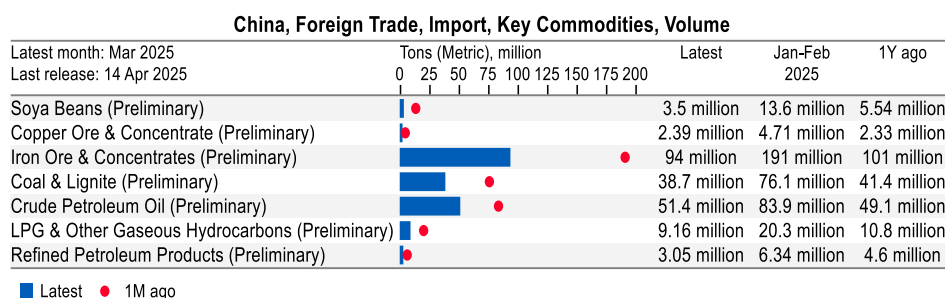
Imports of key commodities

Source: Macrobond, UOB Global Economics & Markets Research



Imports of key commodities (volume)

Source: Macrobond, UOB Global Economics & Markets Research



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