

Macro Note

China: Trade resilience sustained in Apr

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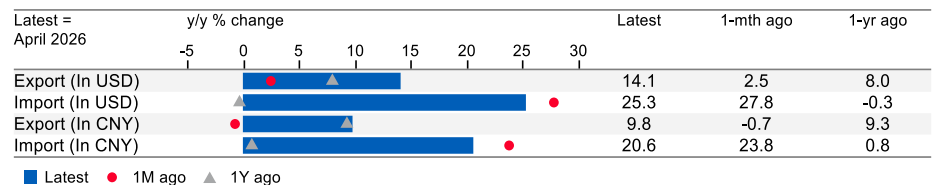
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- **April trade outturn beat expectations.** Both exports and imports surpassed consensus forecasts in Apr. In USD terms, exports rebounded to +14.1% y/y (Bloomberg est.: 8.4%; Mar: 2.5%), while imports remained elevated at +25.3% y/y (Bloomberg est.: 20.0%; Mar: 27.8%). The monthly trade surplus widened to US\$84.82bn, recovering from a 13-month low of US\$51.13bn in Mar.
- **AI-driven demand and prices drove strength.** AI-related demand and investment sustained strong two-way trade in technology products. China's exports of rare earths and imports of soybeans rose ahead of the anticipated May summit between US President Trump and China President Xi. Elevated import prices—partly reflecting supply disruptions linked to Middle East tensions—also boosted import values. While CNY appreciation may cushion domestic costs from higher global energy prices, it also poses a test to export competitiveness.
- **High-tech products led export growth.** By product, export gains were concentrated in high value-added and strategic sectors: **rare earths (+196.5% y/y)**, **semiconductors (+99.6%)**, **computers (+47.3%)**, and **motor vehicles (+44.2%)**. In contrast, traditional exports remained soft, with continued contractions in **footwear (-17.1%)**, **handbags (-11.4%)**, **furniture (-3.6%)**, and **steel (-8.2%)**. Exports of **refined petroleum products (-7.5% y/y)** were constrained by tighter export policies aimed at prioritising domestic demand.
- **Broad-based improvement across export destinations.** Export growth accelerated across major markets, including **Hong Kong (+44.3% y/y)**, **ASEAN (+15.2%)**, and **the EU (+13.4%)**. Shipments to **the US rebounded to +11.3% y/y**, a 15-month high, following the US Supreme Court's Feb decision that struck down tariffs imposed under President Trump's International Emergency Economic Powers Act (IEEPA). Trade policy headwinds eased further as the US Court of International Trade (CIT) challenged the legality of the 10% global tariff imposed in Feb under Section 122 of the 1974 Trade Act.
- **Imports supported by tech demand and higher commodity prices.** On the import side, growth was again led by **computers (+90.6% y/y)** and **semiconductors (+54.7%)**. Higher oil and raw material prices linked to Middle East disruptions lifted import values of crude petroleum oil (+13.2%) and copper ore (+16.3%). **In volume terms, however, imports of crude oil, refined products and LPG declined sharply y/y**, reflecting supply constraints stemming from the Strait of Hormuz blockade. Soybean imports more than doubled from Mar, likely reflecting anticipation of discussions on US agricultural exports during President Trump's visit to Beijing.
- **Import gains were also broad-based by source.** Import growth was supported by widespread increases from key trading partners, including **ASEAN (+28.7% y/y)**, **Taiwan (+22.6%)**, **Japan (+21.0%)**, **the EU (+14.5%)**, and **the US (+9.0%)**.

- **Trade outlook:** Year-to-date (through Apr), China recorded strong export and import growth of 14.5% y/y and 23.6% y/y respectively. With imports outpacing exports, the cumulative trade surplus of US\$347.70 billion was 5.2% lower than a year earlier.
- China's exports have thus far proven resilient to tariff uncertainty and geopolitical shocks, supported by the global AI investment cycle and continued diversification away from the US market. Nonetheless, a prolonged disruption in the Strait of Hormuz could weigh on global demand and raise downside risks to China's export outlook in late 2026 and early 2027. Continued CNY appreciation also warrants monitoring. **Factoring in the robust performance to-date, we raise our 2026 export growth forecast to 6.0% (from 2.8%; 2025: 5.5%) and import growth to 10.0% (from 2.0%; 2025: flat).**
- **US-China Trade Relations: Stability over breakthrough.** US President Trump will be in Beijing on 14-15 May for a meeting with Chinese President Xi. Their last in-person meeting at the Oct 2025 APEC summit delivered a one-year trade truce, partial fentanyl-related tariff rollbacks and the suspension of higher US port fees. For the upcoming meeting, expectations for a comprehensive agreement are low given limited preparation time amid the Iran war. However, both sides are likely to reaffirm efforts to stabilise bilateral trade. Diplomatic engagement on ending the Iran conflict—highlighted by Foreign Minister Wang Yi's call for renewed negotiations during Iranian Foreign Minister Abbas Araghchi's visit to China last Wed—will be a key watchpoint.

Foreign trade in USD and CNY terms

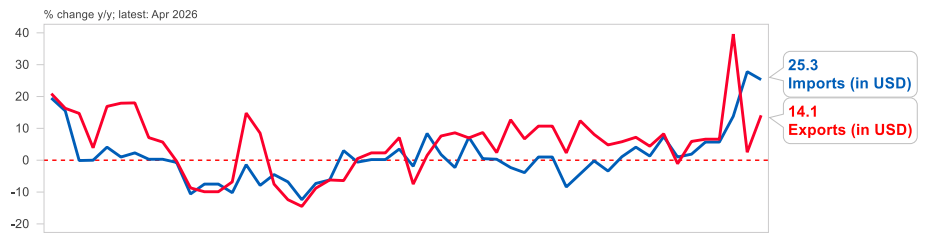
Source: Macrobond, UOB Global Economics & Markets Research



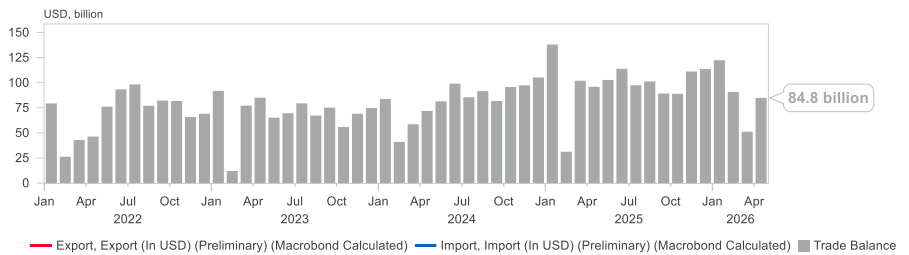
Imports continued to outpace exports in Apr

Source: Macrobond, UOB Global Economics & Markets Research

China, Foreign Trade, Total, Change Y/Y



China, Trade Balance (Monthly)



Export performance by key markets

Source: Macrobond, UOB Global Economics & Markets Research

China: Top Export Markets by Month (% y/y change)

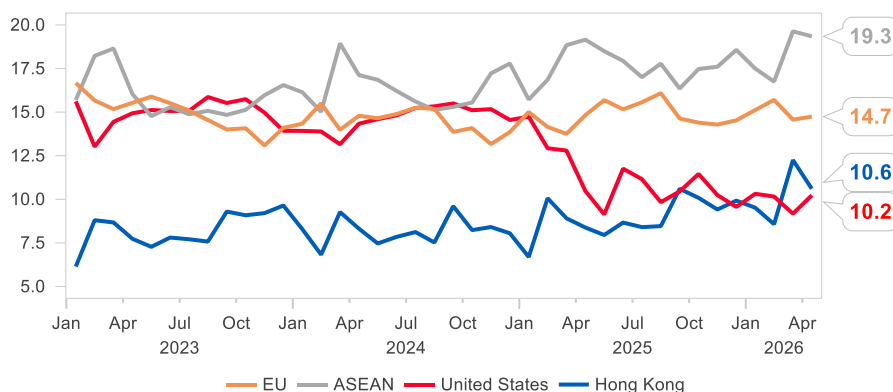
Data: China GAC	% y/y change	Latest	3/2026	2/2026	1/2026	12/2026	11/2026	10/2026	1Y ago
	-20 -10 0 10 20 30 40 50	4/2026							4/2025
Hong Kong		44.3	41.0	18.9	56.4	31.2	18.4	20.9	8.8
Brazil		37.0	11.4	50.8	6.6	10.9	12.5	0.3	4.2
South Africa		36.6	13.8	77.1	18.4	9.4	5.4	14.3	9.6
Russia		25.7	20.6	59.0	-0.9	3.6	-4.9	-22.7	-2.7
Thailand		25.1	10.4	58.2	19.7	20.7	9.9	13.5	27.9
Vietnam		24.7	11.8	12.2	36.6	20.5	25.8	22.4	22.5
South Korea		24.6	19.6	40.7	15.8	-0.6	1.9	-13.1	-0.3
Malaysia		19.9	10.6	44.2	23.7	2.3	-9.6	-10.1	14.9
India		18.6	12.7	37.9	7.3	22.1	8.0	6.7	21.7
Italy		17.9	6.3	75.3	12.2	18.6	25.4	6.4	5.0
New Zealand		15.4	-6.9	55.4	7.8	15.8	25.1	-9.7	13.1
ASEAN		15.2	6.9	38.7	22.4	11.1	8.2	11.0	20.8
France		15.0	6.8	62.5	12.7	3.4	17.5	3.1	2.8
RCEP		14.5	8.3	38.1	16.5	8.7	8.8	3.9	14.4
European Union (EU)		13.4	8.6	54.9	10.8	11.6	14.8	0.9	8.3
Philippines		12.1	2.9	46.1	7.0	10.9	-7.0	0.4	7.0
United States		11.3	-26.5	9.7	-23.0	-30.0	-28.6	-25.2	-21.0
United Kingdom		9.6	3.4	49.6	12.3	13.1	8.7	-5.2	2.5
Australia		8.6	11.9	64.9	9.6	12.9	35.8	5.8	5.8
Indonesia		8.4	6.7	40.5	4.0	-4.1	8.8	5.9	36.8
Germany		7.6	11.8	60.3	13.7	13.1	15.5	2.4	20.4
APEC		6.1	6.1	28.3	8.8	1.0	0.1	-3.5	4.2
Japan		4.0	3.3	22.5	-0.3	5.3	4.3	-5.7	7.8
Netherlands		2.8	9.4	37.1	5.1	8.2	7.4	-8.9	5.3
Singapore		-11.4	-7.1	48.7	31.3	-3.3	-6.8	16.8	14.9

■ Latest

ASEAN remains China's largest export market

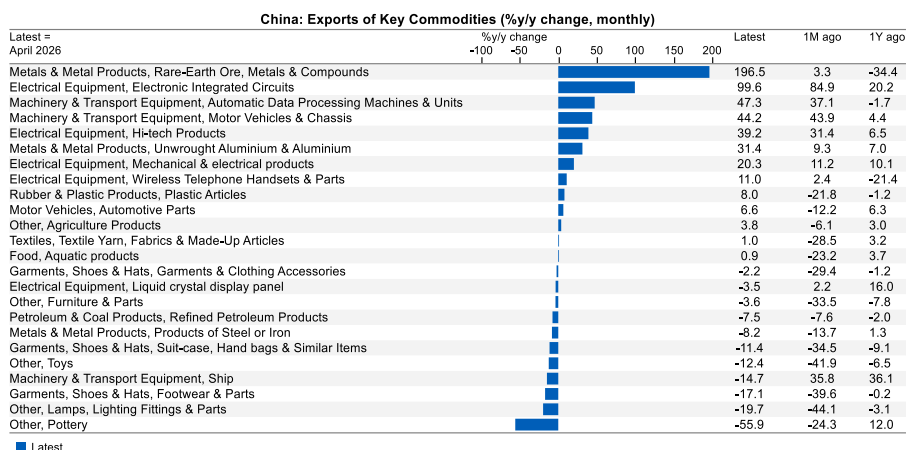
Source: Macrobond, UOB Global Economics & Markets Research

China's export markets (% share)



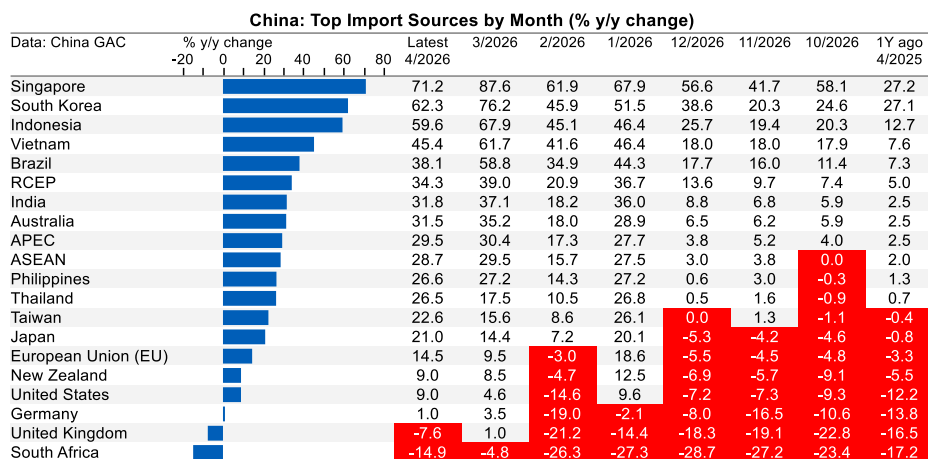
Exports of key commodities

Source: Macrobond, UOB Global Economics & Markets Research



Imports from key market sources

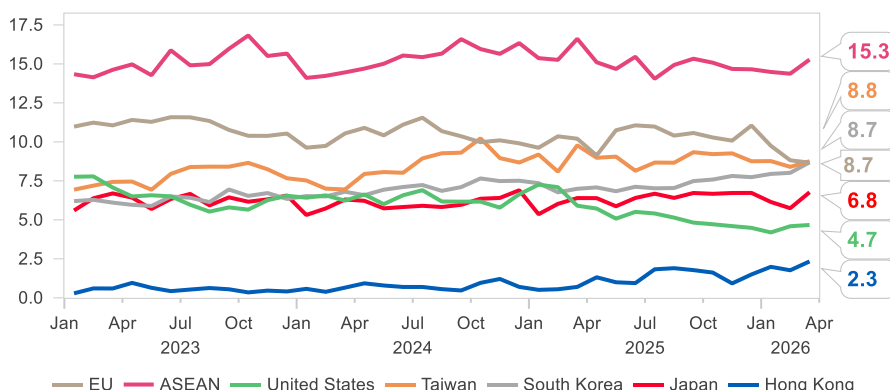
Source: Macrobond, UOB Global Economics & Markets Research



ASEAN accounted for 15% of China's imports

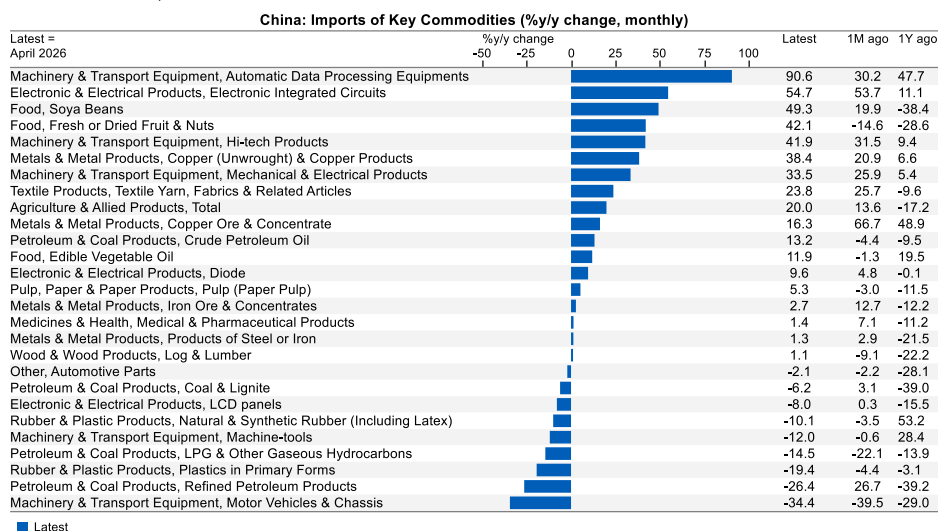
Source: Macrobond, UOB Global Economics & Markets Research

China's import sources (% share)



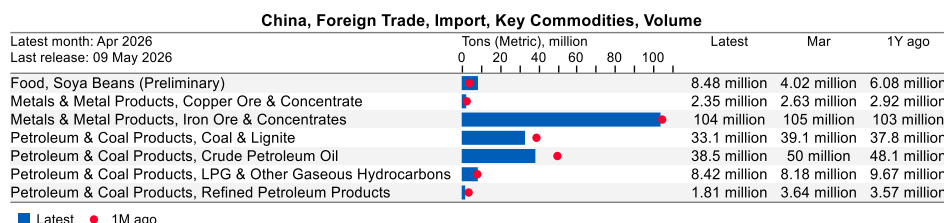
Imports of key commodities

Source: Macrobond, UOB Global Economics & Markets Research



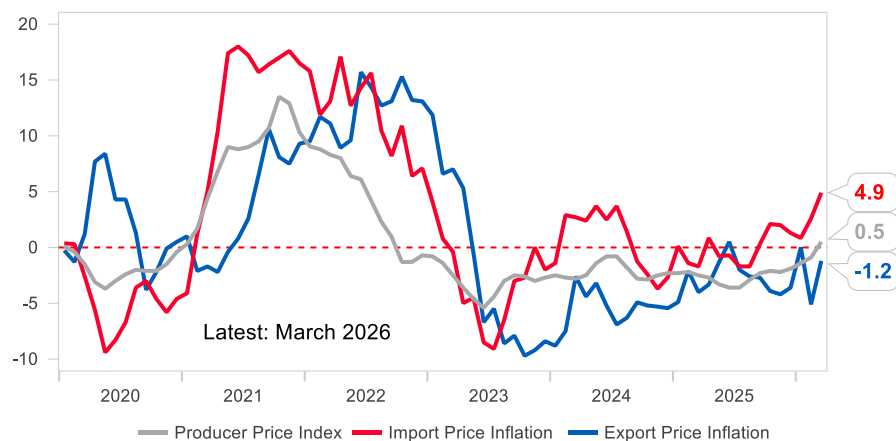
Imports of key commodities (volume)

Source: Macrobond, UOB Global Economics & Markets Research



With supply disruption, import prices will continue to see upside pressure (% y/y)

Source: Macrobond, UOB Global Economics & Markets Research



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