

# China

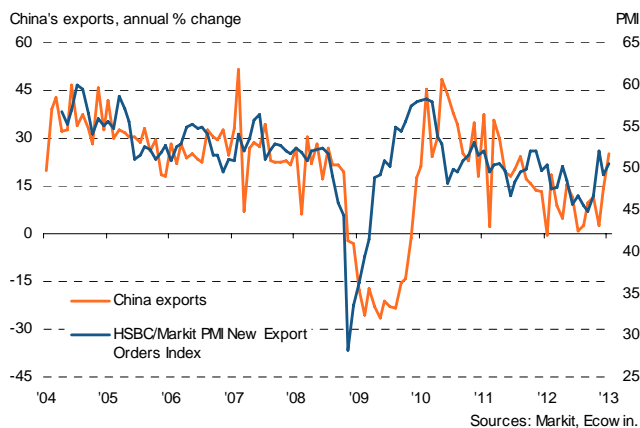
## Export growth surges in January, inflation cools

- Exports and imports both rise sharply in January
- Data add to signs of stronger Chinese and global trade growth
- Inflation falls to 2.0%

Strong growth of China's exports in January add to evidence that the world's second largest economy is seeing a further acceleration in the pace of economic growth at the start of 2013. In signalling a revival of worldwide trade flows, the data also bode well for the global economy.

Official data showed that exports rose 25.0% on a year ago in January, up from 14.1% in December and confirming earlier signals from business surveys that trade was reviving. The recent upturn is in stark contrast to the modest 2.9% year-on-year rate of increase seen in November, which had promoted growing fears of a steep downturn in global trade.

### China's exports



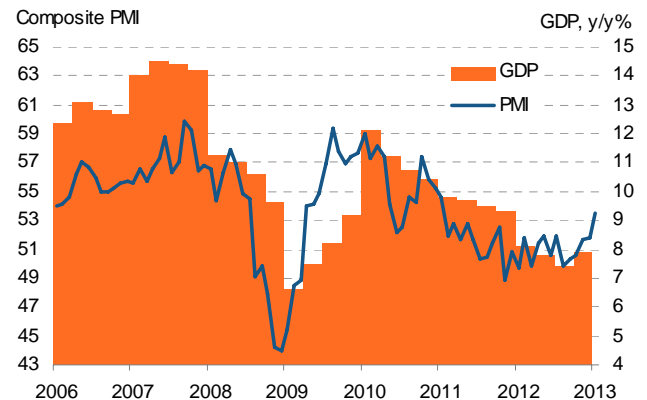
Imports also rose sharply on a year ago, up 29.0% compared with a 6.0% rise in December and no change in November. Rising imports suggest that domestic demand has picked up in China.

The faster growth of imports over exports meant China's trade balance slipped slightly, but at \$29.1bn compared well with the \$31.6bn seen at the end of last year, which had been one of the strongest numbers seen since the onset of the financial crisis.

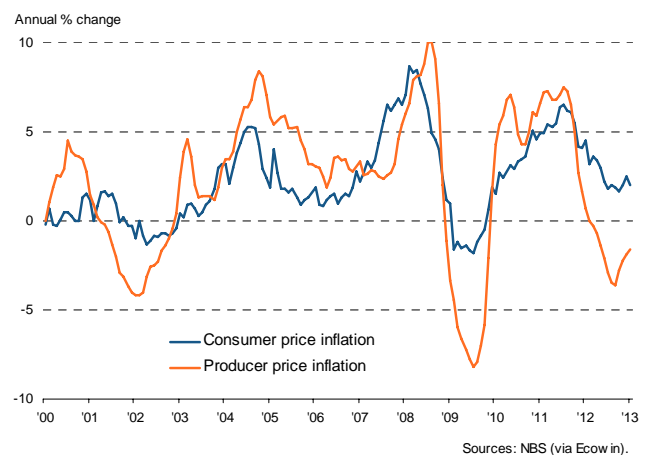
The official data tally with the Markit-produced HSBC PMI data, which indicated that a steady upturn in economic performance late last year has continued into 2013, with the all-sector PMI hitting its highest for two years. The PMI had correctly signalled the pick up in GDP growth in the final quarter of last year, when growth rose from 7.4% in the third quarter to 7.9%, and growth well in excess of 8.0% is so far signalled for the first quarter.

Consumer price inflation meanwhile fell from 2.5% in December to 2.0% in January. However, the fall in the annual rate of inflation masked a 1.0% rise in prices between December and January which had been largely driven by rising food prices.

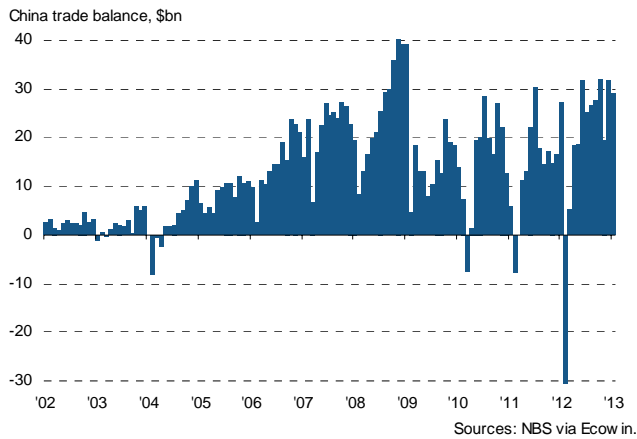
### Economic growth



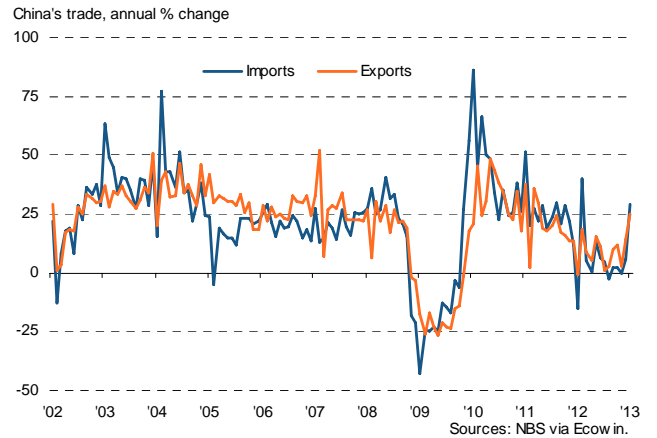
### Inflation rates



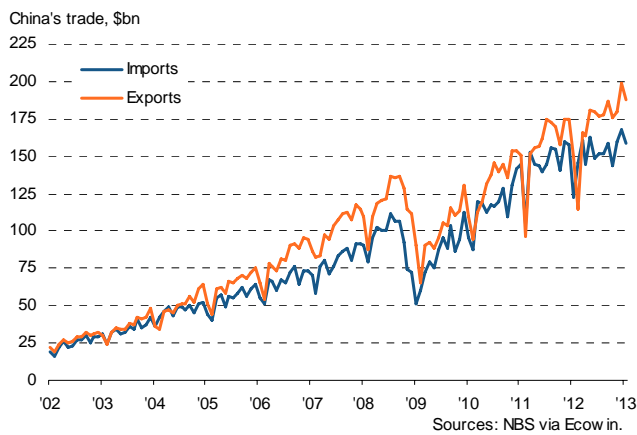
### Trade balance



### Imports and exports – annual % change



### Imports and exports – level



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