

China

Trade data show softening trend despite uplift in April

- Growth of imports and exports pick up in April, but underlying trends continue to weaken
- Data add to survey evidence of global trade slowdown

China's official data showed an upturn in growth of both imports and exports in April, but the volatile data disguise a trend of slowing growth which corresponds with the message from business surveys.

Exports rose 14.7% compared to a year ago in April, an improvement in the rate of growth from the four-month low of 10.0% recorded in March. Imports meanwhile rose 16.8% on last year, compared with a 14.1% rise in March. The improvement resulted in an \$18.2bn trade surplus during the month compared with a rare deficit of \$0.8bn in March.

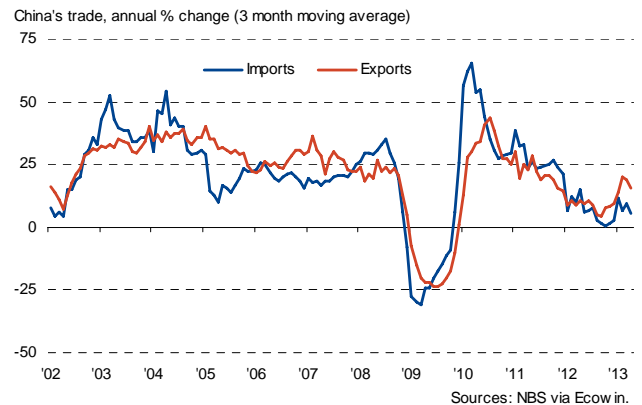
The improvement in the trade performance raised questions about the accuracy of the official data, but it is perhaps worth noting that even these better numbers for April have failed to lift the underlying trend in the series. Looking at a three-month average of the annual rate of growth, which irons out some of the strong volatility in the official data, showed the trend weakening again in April.

Exports rose at an average annual rate of 15.5% in the three months to April, down from 18.9% in the three months to March and the weakest trend rate since January.

Imports meanwhile grew at an average annual rate of just 5.2% in the three months to April, down from 9.3% in March and the weakest trend rate for four months.

The weakening export trend rate is in line with the business surveys. [Markit's HSBC PMI data](#) showed exports falling for the first time in four months in April, dropping at the fastest rate since last October. Firms reported weakening demand from a broad range of export markets, including the US, Europe and other Asian countries; a weakening of global demand that has been [highlighted by recent PMI data](#) from around the world.

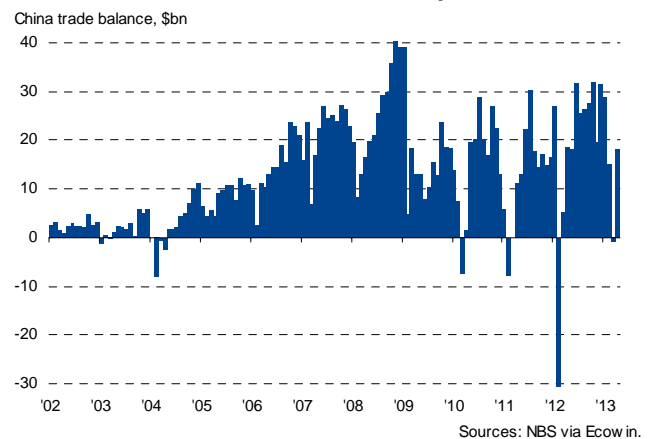
Trend growth rates of China's trade



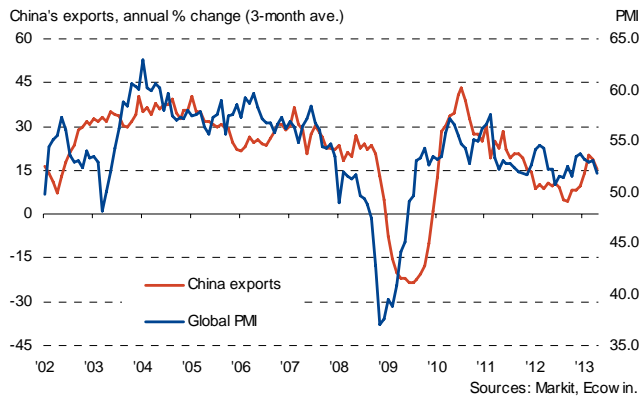
Export trend tracked against PMI data



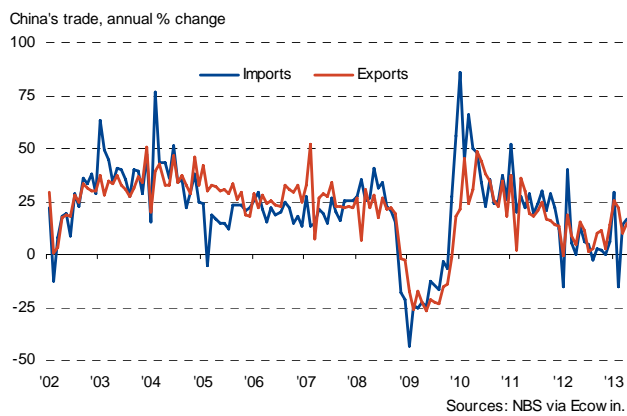
China trade balance returns to surplus



China exports v. global PMI



Volatile monthly data



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