

Chart in focus

China became EU's No.2 export market - again

March 6, 2015

China has yet again set new records in 2014. It became the largest economy by purchasing power parity and the number one recipient of FDI inflows – thanks mostly to slowing foreign investment to the US. For the EU, China became the second most important export market with a share of 9.7%, trailing only the US (18.3%). Switzerland, which took the second largest share of EU exports in 2013, fell to the third rank. It is not the first time that China has held this position – in fact China received more EU exports than Switzerland in three of the past five years.

Notably, EU-China trade rebounded while the value of total EU imports and exports with the rest of the world declined. EU exports to China amounted to a seasonally and working day adjusted value of EUR 165 bn in 2014, up 11.2% from the previous year, while imports reached EUR 302 bn, an increase of 7.8% from 2013. This contrasts with a decline of total extra-EU exports and imports by -1.8% yoy and by -0.4% yoy respectively. The surge in trade between the two partners seems to be defying the fact that China's real GDP growth slowed below 7.5% yoy in 2014.

By product group, growth of EU exports to China picked up significantly for machinery and transport equipment and chemicals whereas exports of food, drinks and tobacco slowed. With regards to imports, manufactured goods imported from China to the EU also grew at a stronger pace in 2014.

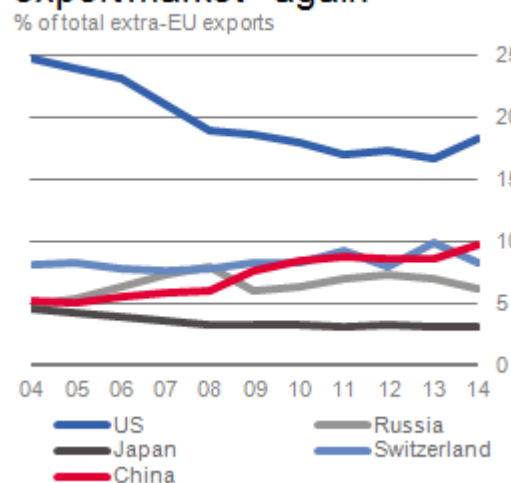
With China an ever larger trading partner for the EU, policy decisions at this week's National People's Congress will be closely watched in Europe.



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Source: Eurostat

