

Macro Roundup Article

Headline: [How Trump and Biden Have Failed To Cut Ties With China](#)

Article Link: <https://www.economist.com/finance-and-economics/2024/02/27/how-trump-and-biden-have-failed-to-cut-ties-with-china>

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Publication	The Economist
Publication Date	February 28, 2024

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Summary: Last year Mexico overtook China as America's largest source of goods imports. Since 2017 the share of America's imports coming from China has fallen by a third to around 14%, according to American figures. China reports that its exports to America rose by \$30bn between 2020 and 2023, whereas America says its Chinese imports fell by \$100bn. If China's data are correct, the country's share of American imports has still declined, but by much less. Adam Wolfe of Absolute Strategy Research estimates that, as a consequence [of under-reporting to avoid tariffs] America now understates its imports from China by 20-25%. Since 2019 China's global exports of intermediate goods have risen by 32%, compared with a rise in other sorts of exports, such as finished goods, of only 2%. The surge is driven by exports to countries such as India and Vietnam, which are two of the American government's preferred trading partners. American trade with these countries is, in turn, increasing—from 4.1% of its goods imports in 2017 to 6.4% today. In combination, these trends imply that the two countries often act as something akin to packaging hubs for goods made with Chinese input that are destined for America's shores. Related: [How America Is Failing To Break Up With China](#) and [Setser On Sources Of Chinese Demand and Can Trade Intervention Lead to Freer Trade?](#)

Primary Topic: China

Topics: China, Database, GDP, News article, Savings Glut/Trade Deficit, Trade (not deficits), Weekly

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