

Macro Roundup Article

Headline: [Can China's Export Machine Run Without the West?](#)

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Tweet: The share of China's exports going to the developing world is rising as the EU and US adopt measures to protect their economies from China's chronic surplus. In response, Latin American countries have started to impose tariffs.

Summary: Chinese exports in May increased 7.6% from a year earlier in dollar terms, while imports rose 1.8%. The implosion of China's housing market has dragged down domestic demand, so Beijing has revved up its export engine to drive growth. Overall, China has been selling less to the West and more to Southeast Asia and Latin America. Exports to Southeast Asia in the first five months of this year rose 12% from the same period two years earlier. Over the same time, China exported 17% less to the U.S. In 2023 alone, China's exports to the U.S. dropped 14%. This could partly be because Chinese companies are rerouting their trades through countries like Vietnam or Mexico, though those countries have also been building up lower-end manufacturing while China moved up the value chain.

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Primary Topic: China

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

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