

Chinese exports rise 25% in 2004

Exports from China leapt during 2004 over the previous year as the country continued to show breakneck growth.

The spurt put China's trade surplus - a sore point with some of its trading partners - at a six-year high. It may also increase pressure on China to relax the peg joining its currency, the yuan, with the weakening dollar. The figures released by the Ministry of Commerce come as China's tax chief confirmed that growth had topped 9% in 2004 for the second year in a row. State Administration of Taxation head Xie Xuren said a tightening of controls on tax evasion had combined with the rapid expansion to produce a 25.7% rise in tax revenues to 2.572 trillion yuan (\$311bn; £165bn).

According to the Ministry of Commerce, China's exports totalled \$63.8bn in December, taking the annual total up 35.4% to \$593.4bn. With imports rising a similar amount, the deficit rose to \$43.4bn. The increased tax take comes despite healthy tax rebates for many exporters totalling 420bn yuan in 2004, according to Mr Xie. China's exporting success has made the trade deficit of the United States soar even further and made trade with China a sensitive political issue in Washington. The peg keeping the yuan around 8.30 to the dollar is often blamed by US lawmakers for job losses at home. A US report issued on Tuesday on behalf of a Congressionally-mandated panel said almost 1.5 million posts disappeared between 1989 and 2003. The pace accelerated in the final three years of the period, said the report for the US-China Economic and Security Review Commission, moving out of labour-intensive industries and into more hi-tech sectors. The US's overall trade deficit with China was \$124bn in 2003, and is expected to rise to about \$150bn for 2004.