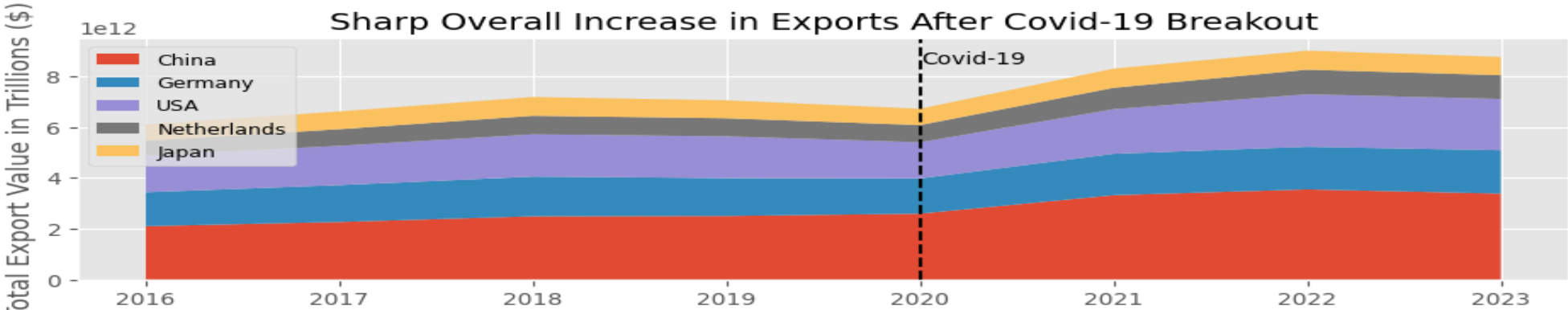
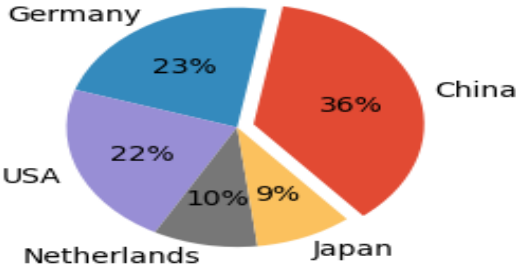


China Extends Dominance Over Global Exports Market

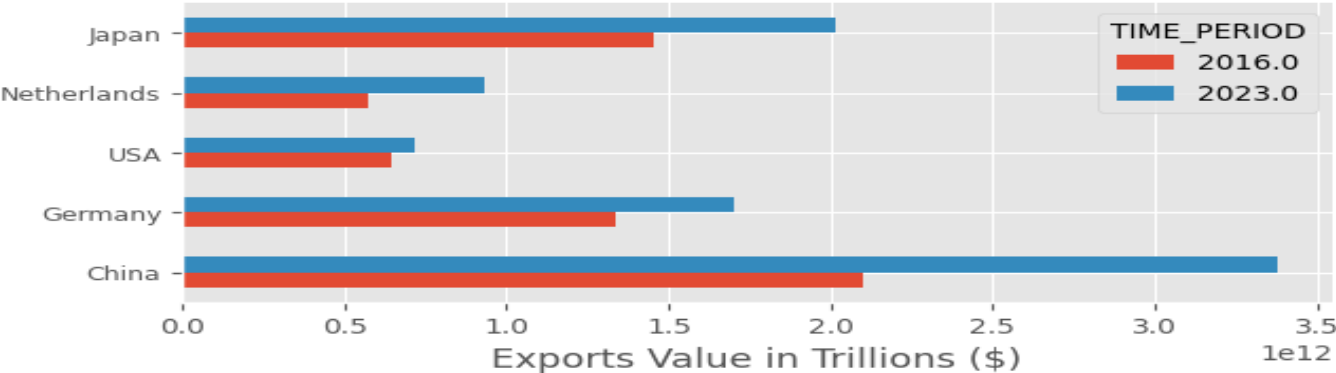
China accounted for 36% of total export for the top five exporting nations between 2016 and 2023. In 2016, China exported 2.1 trillions dollars in merchandise. In 2023, this number jumped to 3.4 trillion dollars, an increase of 61%. The Netherlands saw its exports increase by 63% in the same period.

In 2020, the Covid-19 pandemic led to an overall increase in exports for the top five exporting nations as demand for consumer goods, home office equipment, PPE and other staples surged.

% Top Five Exports (2016-2023)



Chinese Exports Increase from 2.1 to 3.4 Trillion Dollars (2016-2023)



Netherlands 63% Increase (2016-2023)

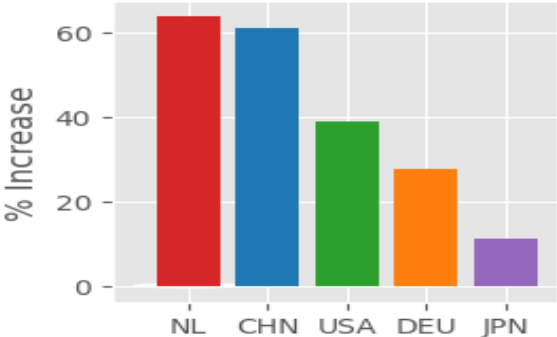
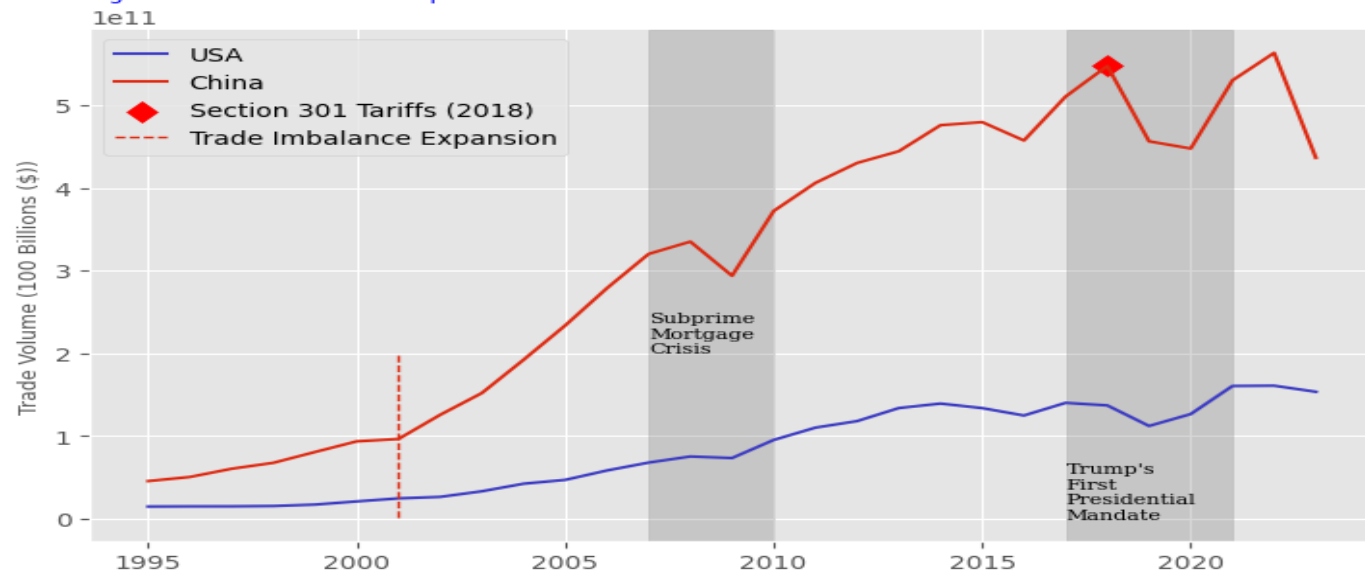


Figure 1: The Rise and Disruption: U.S.-China Trade From Growth to Conflict.



Over the past few decades, the trade relationship between the USA and China has undergone dramatic shifts.

From 1995 to 2020, trade volumes surged, reaching hundreds of billions of dollars. However, several key events altered the trajectory of this growth. The subprime mortgage crisis disrupted global economies, leading to a temporary slowdown. Then, as the Trump administration took office, trade tensions between the two nations intensified, culminating in the USA-China Trade War, which reshaped global economic dynamics.

One of the most significant developments was the change in global merchandise exports. In 2005, China officially surpassed the USA, marking a pivotal moment in international trade. While China's exports steadily grew, America's share saw a relative decline.

The yellow dashed line in figure 2 highlights the year when China pulled ahead, signaling the shift in global economic power. These changes illustrate how economic policies, geopolitical tensions, and financial crises have shaped trade relations. The USA-China Trade War, in particular, played a crucial role in redefining global trade strategies and forcing businesses to adapt to new challenges.

The data supports the idea that while Chinese exports to the U.S. dropped significantly due to Section 301 tariffs, China's broader export industry showed remarkable resilience by redirecting goods to other global markets. This suggests that many Chinese manufacturers were adaptable, finding new demand in other countries rather than suffering outright losses. This could also explain why China's total exports continued growing, despite the significant trade war pressures.

Ultimately, this trade diversion underscores a key economic dynamic: while direct restrictions can disrupt bilateral trade, global supply chains adjust as exporters seek new opportunities. The result is a more nuanced view of how tariffs reshape international trade rather than simply reducing export activity.

Figure 2: China's Export Dominance: How Global Trade Shifted Beyond the U.S.

