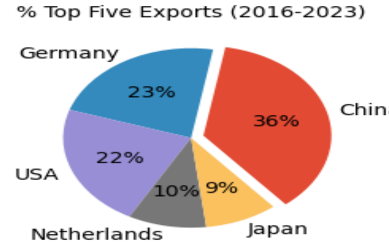
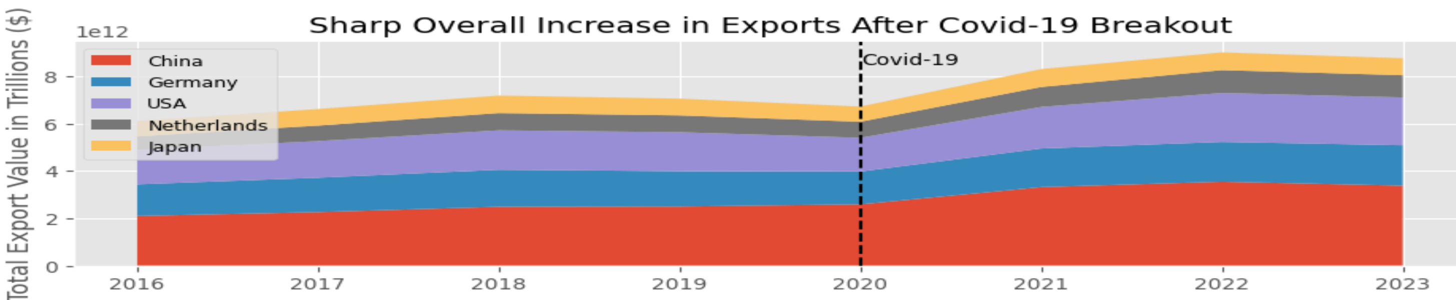
China Extends Dominance Over Global Exports Market

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.





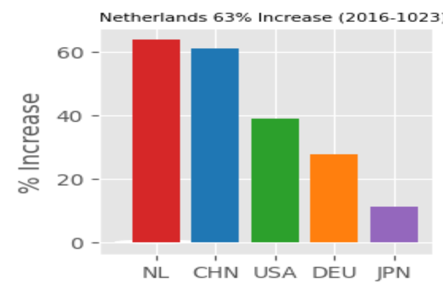


Figure 1: The Rise and Disruption: U.S.-China Trade From Growth to Conflict.

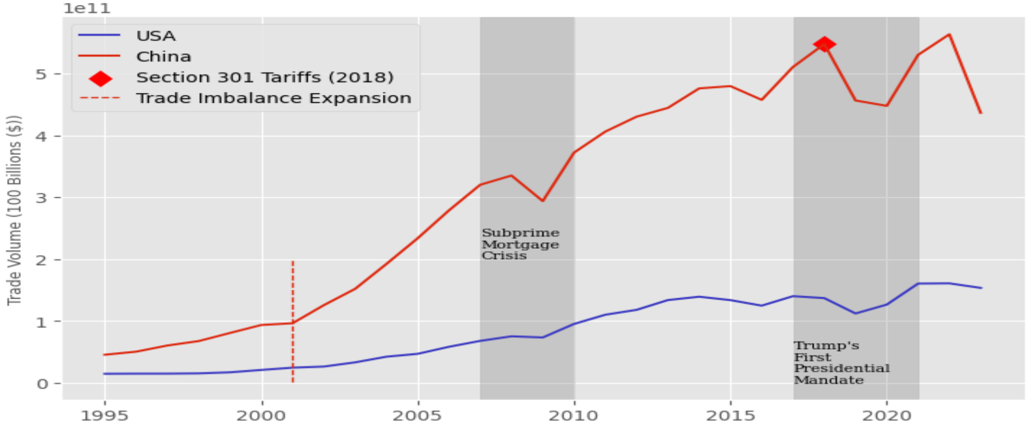
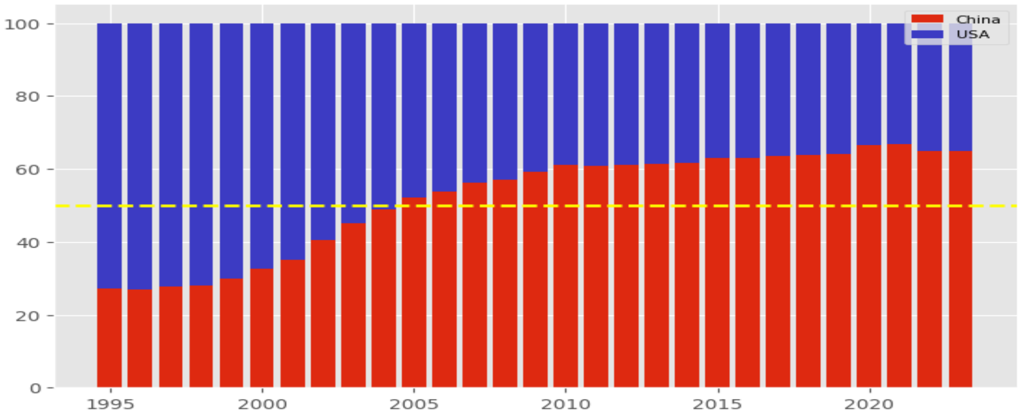


Figure 2: China’s Export Dominance: How Global Trade Shifted Beyond the U.S.



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 3isrupted 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.

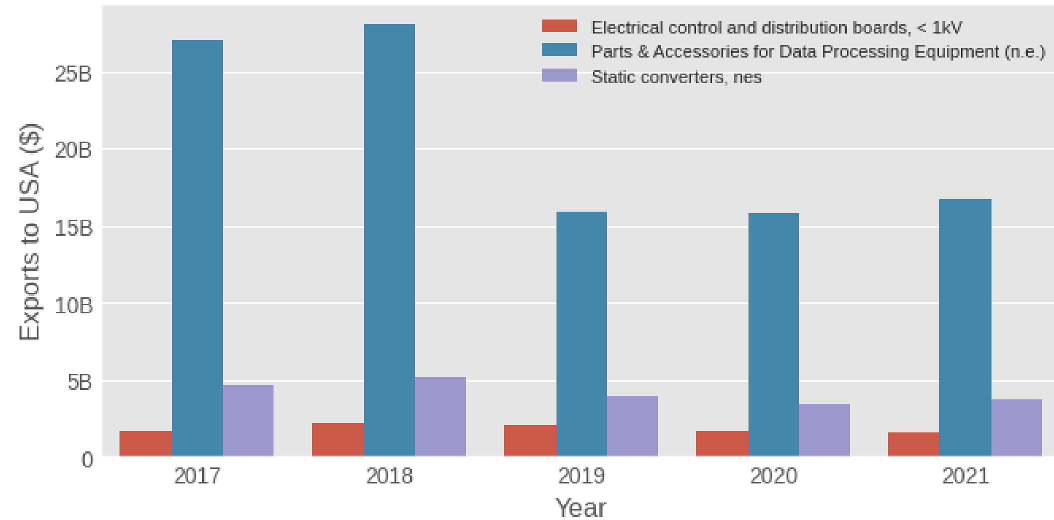
One of the most significant developments was the change in global merchandise exports. In 2005, China officially surpassed the USA, marking a pivotal moment in international trade. While China's exports steadily grew, America's share saw a relative decline.

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.

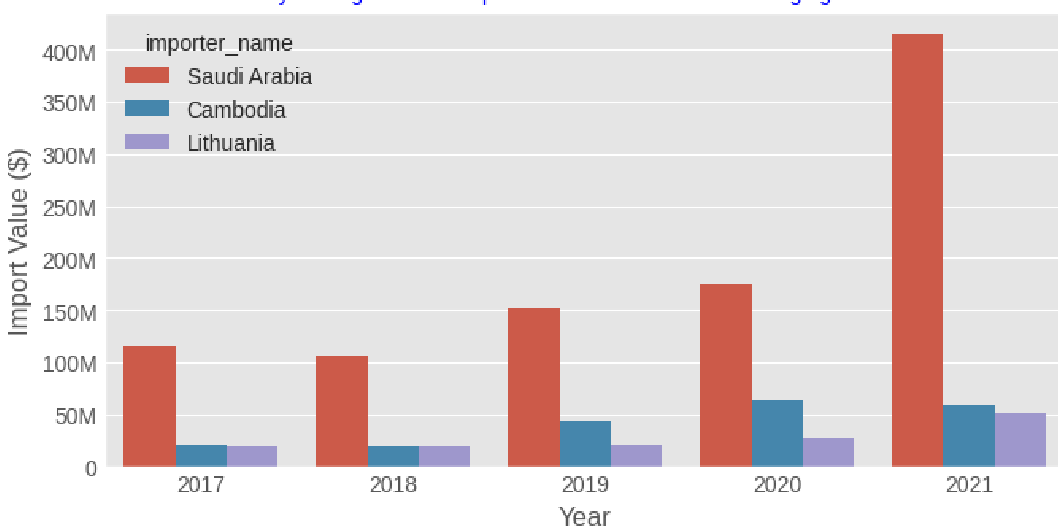
The data supports the idea that while Chinese exports to the U.S. dropped significantly due to Section 301 tariffs, China's broader export industry showed remarkable resilience by redirecting goods to other global markets. This suggests that many Chinese manufacturers were adaptable, finding new demand 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.

U.S.-Bound Chinese Exports Decline Post-2018 Tariffs (Selected Products)



Trade Finds a Way: Rising Chinese Exports of Tariffed Goods to Emerging Markets



Following the imposition of Section 301 tariffs in 2018, U.S. imports of key Chinese products—including electrical control boards, data processing components, and static converters—dropped markedly. The upper chart on this page captures this decline in clear relief, as exports of these specific goods to the United States lost momentum from 2018 onward, signaling the immediate chilling effect of the tariffs on bilateral trade in these sectors.

However, much like the broader trade trends observed in the previous page, this downturn did not spell the end of global demand. The bottom chart reveals a striking counter-narrative: rather than vanishing from international markets, these same products found a renewed foothold in alternative destinations. Between 2018 and 2021, China significantly increased exports of the tariffed products to Saudi Arabia, Cambodia, and Lithuania, among others—countries that appear to have absorbed part of the displaced trade once bound for the U.S.

The decline in exports to the U.S., amounts to roughly $10 billion over the observed period—from around 25*billionin*2017*tounder*15 billion by 2021. In contrast, we see increase in exports of the same products to new markets, but on a much smaller scale. Combined exports to Saudi Arabia, Cambodia, and Lithuania rose by approximately $300–400 million in total, reflecting only a fraction of the value lost in U.S. trade. However, Similar export upticks may have occurred across multiple other countries, suggesting a wider reallocation of trade flows as Chinese exporters adapted to shifting market access.

This pattern reinforces a central insight of the report: while tariffs may successfully deter imports from targeted countries, they seldom eliminate the movement of goods altogether. Instead, the global trading system adapts. Supply chains reorient, and market gaps open elsewhere. The flow is not stopped—it is rerouted. The data on this page offers a tangible example of that resilience and redirection.