# China's Trade Weakens

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BEIJING (AP) — China's import growth showed an unexpectedly sharp drop in December in a new sign the world's second-largest economy is slowing.

December growth in imports fell to 11.8 percent, barely above half the previous month's 22.1 percent gain, customs data showed Tuesday. Exports rose 13.4 percent, down slightly from November's growth rate. The country's politically sensitive global trade surplus widened to $16.5 billion.

The widening of China's trade surplus from $14.5 billion in November might fuel strains with the United States and other trading partners. They complain Beijing is hampering access to its markets, hurting foreign companies at a time when governments worldwide are trying to revive growth and generate new jobs.

U.S. Treasury Secretary Timothy Geither visits Beijing this week for talks that officials say will include complaints about China's currency controls. Washington wants an end to such controls, which critics say keep China's yuan undervalued and give its exporters an unfair trade advantage.

China's relatively robust growth has been a rare bright spot for a struggling global economy. But growth has slowed in recent months after Beijing tightened lending and investment curbs to prevent overheating.

A slump in demand for Chinese goods abroad has prompted the government to reverse course and promise to help struggling exporters and shore up growth with more bank lending and other measures. It is unclear what impact they will have.

China is one of the biggest importers, making any slowdown unwelcome news for Asian suppliers of industrial components and commodities producers such as Australia and Brazil that depend on Chinese demand for iron ore and coal.

December imports were $158.2 billion while exports were $174.7 billion.

China's trade surplus with the 27-nation European Union, its biggest trading partner, held steady at $11.9 billion. Imports from Europe rose 13 percent to $19.1 billion.

The trade surplus with the United States widened 24.2 percent to $17.4 billion as imports of U.S. goods fell 2 percent.

Chinese imports of crude oil in December rose 6 percent by volume over a year earlier but purchases of other foreign goods such as bauxite and cooking oil declined.

China's rapid economic growth slowed to 9.1 percent in the three months ending in September from 9.6 percent the previous quarter and 2010's double-digit expansion.

The International Monetary Fund is forecasting 9.5 percent growth for 2011 — by far the highest of any major economy. But export weakness has forced thousands of small companies into bankruptcy, raising concern among Chinese leaders about job losses and unrest.

Manufacturing and export orders fell in November and December, according to industry surveys.

Chinese export growth has fallen steadily since August as Europe's debt crisis and high U.S. unemployment hurt demand. But it has stayed in double digits, showing the competitive strength of Chinese exporters in global markets.

Beijing faces pressure abroad over currency controls that Washington and other governments say keep its yuan undervalued, giving its exporters an unfair advantage and hurting foreign competitors. The communist government has allowed the yuan to rise in value in recent years but has resisted pressure for faster action, spurring demands by some U.S. lawmakers for punitive tariffs on Chinese goods.

For the full year, China's exports rose 20.3 percent to $1.9 trillion while imports gained 24.9 percent to $1.7 trillion. The 2011 global trade surplus was $155.2 billion, down 34 percent from 2010's $190 billion.

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