

China's February Exports Surge But Imports Fall

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HONG KONG (AP) — China's exports surged more than expected in February in a possible sign of stronger global demand.

Exports leaped 21.8 percent, well ahead of analysts' expectations of single-digit growth as companies shut down for the Lunar New Year holiday, data showed Friday.

Imports fell 15.2 percent, a decline from January's 28 percent growth. That suggested domestic demand might be weakening, but the picture is clouded by the holiday, when companies shut down for up to two weeks.

"We are impressed by China's ability to expand its exports so strongly despite a muted external environment," said Credit Agricole CIB economist Dariusz Kowalczyk in a report.

China's trade growth has been rebounding in recent months in a sign of recovery in the world's second-biggest economy.

Economic growth rebounded in the final quarter of 2012 from a three-year low. The latest trade data might help to reassure analysts who say China's recovery is still shaky and will be too weak to drive a global rebound without a revival in the United States and Europe.

Trade data for January and February are complicated by the Lunar New Year, which falls at different times in those two months each year. Businesses shut down for up to two weeks. Last year, the holiday began in January, making that month's performance look better by comparison this year, while this year the holiday fell entirely in February.

For the combined January-February period, exports rose 23.6 percent compared with the same two months last year while imports grew 5 percent.

February's import decline was also probably caused by falling prices for shipments coming into China rather than stalling demand, Kowalczyk said.

Exports rose to \$139.4 billion while imports declined to \$124.12 billion, resulting in a global trade surplus of \$15.2 billion, compared with a trade deficit of \$32 billion in the same month last year.

China usually runs a global trade deficit for at least one month early in the year as factories restock following the holiday shutdown.

Premier Wen Jiabao, the country's top economic official, announced a 7.5 percent

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annual economic growth target this week. That is below double digit rates of the past decade but in line with Communist Party plans to shift from relying on trade and investment to domestic consumption to drive growth.

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