

# China Reports Unexpected Drop In September Exports

Joe McDonald, AP Business Writer

BEIJING (AP) -- China's exports suffered an unexpectedly sharp decline in September amid weak global demand but imports grew.

Exports fell 0.3 percent to \$185.6 billion, a customs official said at a news conference. That fell short of private sector forecasts of growth at least in low single digits following August's 7.2 percent growth.

"China's dependence on external demand weakened," said the official, Zheng Yuesheng, deputy director-general of the customs agency's statistics department. "This shows China's economic development has transformed from being driven by external demand to domestic demand."

The figures also might be affected by efforts to improve the accuracy of trade data. Some analysts say earlier export data were inflated, which would make more accurate recent numbers weaker by comparison. Zheng gave no details but said September trade growth looked unusually weak due to comparison with last year's strong "base number."

Imports rose 7.4 percent to \$170.4 billion, in line with August's 7 percent growth, according to Zheng, in a positive sign for China's efforts to reverse an economic slowdown.

China's politically sensitive global trade surplus narrowed by 45 percent from a year earlier to \$15.2 billion.

Chinese demand has been driven by higher government efforts to reverse an economic slowdown with higher spending on railway construction and other projects.

Growth in the world's second-largest economy fell to a two-decade low of 7.5 percent in the second quarter. The latest industrial data suggest the economy gained strength in the quarter ending in September but analysts say that may not last.

"We remain cautious on the sustainability of the ongoing recovery," said JP Morgan economist Haibin Zhu in a report this week. "We expect the recovery will last until the end of the year but is likely to slow down again in 2014."

Surveys of manufacturers show barely grew in September, adding to signs a recovery might losing steam.

## **China Reports Unexpected Drop In September Exports**

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

---

China's growth is generally stable but faces "pressure to decline," said Zheng, the customs official.

Chinese imports of American goods rose 16.3 percent while exports to the United States rose 3 percent. The trade surplus with the United States narrowed by 1.4 percent from a year ago to 20.8 billion.

China's trade surplus with the 27-nation European Union, its biggest trading partner, narrowed by 17 percent to \$8.7 billion. Hurt by Europe's debt problems, exports to Germany fell 6.5 percent and those to France were off 2.8 percent.

The discrepancy between Saturday's export figures and forecasts also highlights complaints Beijing's data might be inaccurate and the intense focus financial markets attach to a handful of Chinese economic indicators.

In April, global stock markets fell after China's announcement its economy grew by 7.7 percent in the first quarter of the year failed to meet private sector forecasts of 8 percent. Forecasters had based their outlook on trade data they said later might be exaggerated.

Analysts believe some Chinese exporters report exaggerated values for their goods as an excuse to evade Beijing's currency controls and bring extra foreign money into the country for investment. Private sector researchers said data from its trading partners showed the value of goods from China was lower than that reported by Beijing.

The customs agency has defended its figures, saying they were based on goods that really were exported. But that would not prevent exporters from submitting inflated prices for those goods.

**Source URL (retrieved on 01/31/2015 - 12:28pm):**

<http://www.impomag.com/news/2013/10/china-reports-unexpected-drop-september-exports>