

China's export growth hits highest level in 19 months

Beijing: China's exports posted strong growth again last month, extending an upward trend on the back of a consumption rebound among its major trading partners, official data showed on Saturday.

Inbound shipments, however, cooled after a surge in September -- with analysts expecting that a drop in import prices weighed on headline numbers.

Although the coronavirus pandemic has battered countries worldwide, foreign trade in the world's second-largest economy fared better than expected, buoyed by healthcare shipments.

Exports rose 11.4 percent on-year in October, customs data showed, better than the 8.9 percent growth predicted by a Bloomberg poll of economists.

This marks the fastest pace since March last year, supporting China's economic recovery after lockdowns this year to curb the spread of Covid-19.

Imports, meanwhile, grew 4.7 percent, short of the 8.8 percent on-year rise expected.

The customs administration said Saturday that China's exports of mechanical and electrical products rose in the first 10 months, as did outbound shipments of textiles including face masks, which rose around 35 percent from a year ago.

Tommy Xie, head of Greater China research at OCBC Bank, told AFP a key driver for October's exports was shipments to the US, noting this could be due to "frontloading... partially because of concerns over a further escalation of tensions, and also ahead of the US elections".

US-China ties have grown increasingly strained in recent years, under President Donald Trump.

Although imports were below expectations, Xie noted that shipments remained robust for iron ore and integrated circuits amid tensions with Australia -- a key exporter of the commodity.

Iris Pang, ING chief economist for Greater China, added that a long holiday in early October could also have weighed on imports.

Capital Economics cautioned in a report this week, however, that recent data pointed to a drop in new export orders in October, signalling that "foreign demand has started to soften following fresh lockdowns abroad".

The resurgence of infections in key markets -- including the US and Europe -- could hit overseas demand, while China has made a renewed push this year for local consumption to underpin growth.

"Most measures suggest that domestic demand continued to strengthen and the infrastructure investment at the heart of the ongoing stimulus is particularly import-intensive," said Capital Economics.

Meanwhile, China's trade surplus with the US -- the core gripe in Washington in the bruising trade war -- rose around 19 percent from last year to \$31.4 billion in October.

This widened slightly from the \$30.8 billion seen in the month before, marking one of the larger surpluses this year according to Chinese figures.