



Despite Tariffs, China's Total Exports Grow

Shipments to world accelerated in July, but slowed to U.S. amid trade frictions

BY HANNAH MIAO

China's exports grew at a faster clip in July, showing that U.S. tariffs so far haven't curtailed China's export machine, although trade with America has fallen.

Chinese outbound shipments rose 7.2% last month from a year earlier on a dollar-denominated basis, up from a 5.8% increase in June, the General Administration of Customs said Thursday.

Exports to the U.S. fell 22% in July from the year prior, according to the government data. That compared with a 16% decline in June and a 35% drop in May.

After escalating tit-for-tat tariff increases earlier this year, the U.S. and China have lowered their duties on each other under a trade truce that is set to expire Aug. 12 but could be extended. Negotiations between Washington and Beijing have continued, with Treasury Secretary Scott Bessent describing recent talks in Stockholm as constructive.

So far in 2025, China's overall exports have defied economists' expectations in the face of higher U.S. tariffs. While trade with the U.S. has fallen, China has more than made up for it with increased exports to the rest of the world.

That has helped keep China's economy growing. For the first half of the year, China reported 5.3% year-over-year economic growth, driven by a 5.9% increase in exports.

The Trump administration is seeking to crack down on transshipment of products through third countries to circumvent tariffs on Chinese goods. Under Trump's latest tariff plan, the U.S. will place an additional 40% levy on any goods it determines to have been transshipped to evade duties.

Some economists expect China's exports to moderate in the second half of the year as companies that raced to stockpile goods ahead of impending tariffs pull back on purchases.

Official and private gauges of Chinese manufacturing activity signaled a contraction in July. Profits at China's industrial firms declined 1.8% from a year earlier in the first half of the year, with a 4.3% drop in June alone, according to government data.

Policymakers in China have signaled intentions to rein in overcapacity, which has contributed to prolonged deflation in producer prices and a reliance on exports to unload excess supply. Chinese leader Xi Jinping has called for regulating cutthroat price wars and competition among manufacturers.

China's top policymaking body, the ruling Communist Party's Politburo, recently held off on rolling out major additional stimulus to bolster economic growth, while pledging to boost domestic demand.

In a gauge of domestic demand, China's imports rose 4.1% from a year earlier last month, up from 1.1% growth in June, according to the customs bureau. The country's trade surplus was \$98 billion in July, down from \$115 billion in June.

Copyright (c)2025 Dow Jones & Company, Inc. All Rights Reserved. 8/8/2025
Powered by TECNAVIA

The following is a digital replica of content from the print newspaper and is intended for the personal use of our members. For commercial reproduction or distribution of Dow Jones printed content, contact: Dow Jones Reprints & Licensing at (800) 843-0008 or visit djreprints.com.

For personal, non-commercial use only.