

Trade surplus large but slowing in '07

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China's trade surplus will hit \$254 billion in 2007, a 42.8 percent year-on-year increase, but the rate of growth will begin to slow, according to a recent report.

The gap between imports and exports should narrow this year, according to a study by the Center for Forecasting Science of the Chinese Academy of Sciences.

Export volume is expected to reach \$1.2 trillion, up 23.7 percent from last year, while imports rise to \$945.6 billion, an increase of 19.5 percent.

The research center made the forecast based on analysis of world and domestic economies, as well as custom data released at the end of March.

The trade surplus between China and the United States will surge 23.5 percent, according to the report. Total exports to the US will reach \$263.6 billion, a 29.8 percent increase. China will import \$71 billion from the US, up 18.9 percent from 2006.

The trade surplus between China and EU will increase nearly 45 percent to a total volume of \$128.7 billion. Exports to the European market will increase 33.1 percent to \$239.3 billion, while imports to China rise 22 percent to \$110.6 billion.

The trade surplus in the hi-tech sector is expected to double in 2007 to \$66.9 billion, the report said. Hi-tech exports will increase 29.2 percent to \$363.6 billion, and China will import \$296.7 billion of hi-tech products, up 20 percent.

The report estimates China will export \$736.7 billion worth of machinery and electronic products, up 34.1 percent, and import \$510 billion, an increase of 19.2 percent.

Clothing exports will reach \$107.9 billion, up 15.8 percent, while the total textile export volume will increase 13.3 percent to \$55.3 billion.

In the energy sector, the rate of increase of crude and refined oil imports is expected to slow, while imports of iron ore will increase at a faster pace.

China is expected to import \$69.6 billion of crude oil in 2007, up 4.8 percent, while imports of refined oil reach \$15.8 billion, up 1.6 percent. Iron ore imports will reach \$30.7 billion, up 47 percent.

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