News Flash

China overtakes Germany as world top exporter

(Agencies)
Updated: 2010-02-10 01:54

BERLIN: Germany's multi-year reign as the world's No 1 exporter is officially over, with the crown formally passing to rising China after new figures showed that German exports slid by nearly a fifth in 2009, the biggest decline in 60 years.

Tuesday's German government figures only confirmed an open secret: China's runaway growth and resilience amid the financial crisis put its exports ahead of Germany, which suffered a severe recession before returning to growth in last year's second quarter.

Related readings:
- Outlook for Chinese exports still grim
- Nation leans on exports to keep moving forward
- China's imports, exports grow 9.8% in Nov
- Nation leans on exports to keep moving forward

Last month, China's customs reported that total 2009 exports were more than $1.2 trillion, well ahead of the 803.2 billion euro ($1.1 trillion) that Germany reported Tuesday.

For Germany, the figure was a drop of 18.4 percent from 2008, although exports returned to year-on-year growth in December.

"The crisis has accelerated the shift in power in world trade toward the emerging countries," said Anton Boerner, the head of Germany's BGA exporters' association.

However, "the fact that we are passing on the title of world export champion to China doesn't cause us any worries," he added. "The growth of the Chinese economy will also secure our growth and jobs in Germany for long years."

Boerner noted that in December demand for German products from all parts of the world was up on the year.

Declining imports indicate that "large parts of the economy are still in neutral," Boerner said. "Everything must be done to encourage and stabilize the upturn in exports."

Germany took over the top spot in terms of exports in 2003, surpassing the US.

China's newfound status is mostly symbolic but highlights its growing presence as an industrial power, major buyer of oil, iron ore and other commodities and, increasingly, as an investor and key voice in managing the global economy.

Its ability to unseat longtime export leader Germany reflected the ability of agile, low-cost Chinese manufacturers to keep selling abroad even as other exporters have been hammered by a slump in global demand.

The change is the second time in three years Germany has been overtaken by China.

In 2007, China surpassed Germany to become the world's third-largest economy, just behind No. 2 Japan and the United States, which holds the top spot.

China's growth also benefits other companies and countries, particularly those in Germany, because of its voracious demand for raw materials, consumer goods and more.

Germany's leading luxury car makers, Mercedes-Benz, BMW AG and Audi AG, all have reported that their sales in China more than doubled on the year last month, helping them to improve their global performance.

Germany, and Europe, is also noted for quality and craftsmanship.

Nick Reilly, the new chief executive of General Motors Co's German-based European unit, Opel, said Tuesday he believes that "manufacturing must have and will have a bright future in

Europe."

"Yes, wage rates are higher here than in other countries, but productivity, production excellence, logistics costs, quality and the work force's outstanding skill base largely offset that cost disadvantage," said Reilly, who was previously the US automaker's Shanghai-based executive vice president of international operations.

He pointed to "Opel's German engineering" as an asset to GM.