Snap | 8 September 2026

China’s strong trade growth continues, driven by tech demand

China posted faster export and import growth in August, powered by tech goods. While the product breakdown looks ever more lopsided, the geographic picture is smoothing out as the US slump recedes and demand across other markets remains firm

Source: Shutterstock

25.0% YoY **China's August export growth**

As expected

Tech continues to power impressive export strength

China's exports grew by 25.0% year-on-year in August, up from 23.9% in July and broadly in line with market expectations (market: 25.9%, ING: 24.1%). Year-to-date, exports are now up 19.3% YoY to $2.92tn.

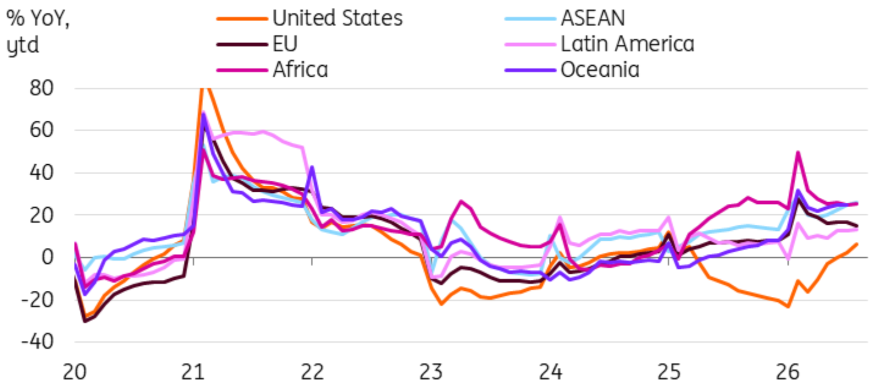
The data shows that external demand remains strong, especially in China's key export growth areas.

By destination, exports to the US continued to recover YoY. Year-to-date, exports to the US have picked up for 5 consecutive months and are now up 6.1% YoY ytd, nearing the export growth China has with other economies. The main year-to-date outperformers are Korea (35.3%), Taiwan (33.2%), and Russia (30.7%), with ASEAN (25.8%) and Africa (25.8%) not far behind. Along with the US, exports to Japan (8.1%) and Canada (10.2%) lagged.

By export product, most of China's key export categories continued to grow strongly. Semiconductor and automatic data processing machine exports rose 129.8% YoY and 76.5% in August. However, year-on-year growth in autos and ships both slowed in August, falling to 43.0% YoY and 21.0% YoY, respectively.

In recent months, we've talked about a growing K-shaped divergence in China, with external demand significantly outpacing domestic demand. While efforts have been made to shore up the latter, this divergence appears to have continued into August. Tariff risks and the durability of the tech investment cycle are the key factors to watch to see how long this strength will persist.

Export growth to the US starting to bridge the gap



Sources: CEIC, ING

Imports come in a little softer than expected

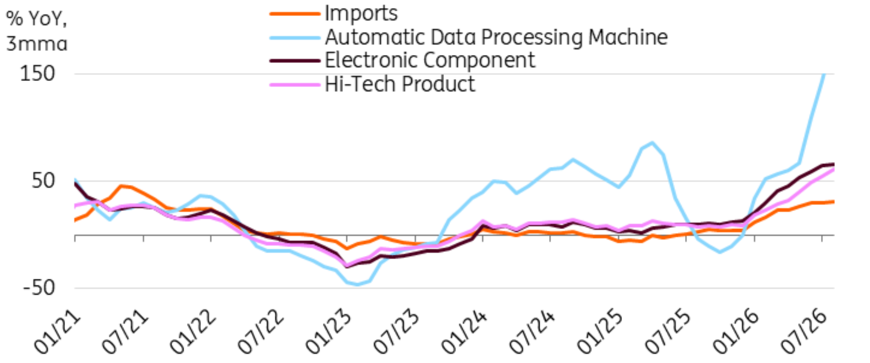
Import growth also picked up slightly in August to 28.2% YoY from a revised 27.6% in July. This came in somewhat softer than expectations (market: 31.0%, ING: 32.4%), but nonetheless remained strong.

The main areas of import growth still look tied to tech products, showing China continues to spend in the ongoing tech race. August saw the fastest import growth of any month so far this year in various tech-related categories. Hi-tech product imports rose 68.7% YoY in August, the highest of any month so far this year. This brings year-to-date growth to 46.0% YoY. Automatic data processing machine imports surged 209% YoY in August, double the year-to-date pace of 105%. Imports of semiconductors also picked up to 83.6% YoY in August, versus a year-to-date growth of 61.7%.

On the crude oil front, customs data showed a second consecutive month of sequential increases in China's oil imports by volume, with volumes up 6.2% month on month. That said, crude oil imports by volume remain well in contraction territory at -23.4% YoY in August.

China's import profile is undergoing a clear structural shift in autos, where heavy domestic competition has also driven a sharp drop in demand for foreign imports. Auto imports have fallen -19.9% YoY ytd.

China's tech imports continued to accelerate



Sources: CEIC, ING

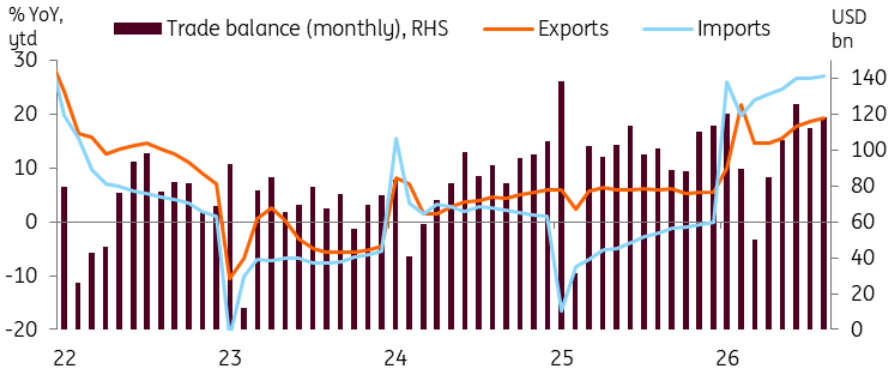
Trade surplus looks poised to reach new high this year

Despite China's strong import growth, exports are set to lead to a new record-high trade surplus this year. This could intensify pressure from trading partners to rebalance terms of trade.

China's August trade surplus rose to $119.1bn, the fourth consecutive month above $100bn. Compared with the same period last year, the year-to-date trade surplus is now up 3.1% YoY.

Net exports contributed around 0.8pp to China's GDP growth in the first half of the year, and this could pick up in the third quarter.

Trade surplus has been strong in past few months



Sources: CEIC. ING

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