China: Trade Dashboard 2026Q2: Higher Prices Drive Strong Import and Export Growth

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- **Exports:** China's real export growth slowed to 6.6% yoy in Q2, down from 14.1% yoy in Q1. Export prices rose sharply to 11.8% yoy in Q2, compared with -0.4% yoy in Q1, ending thirteen consecutive quarters of year-over-year contraction. As a result, nominal exports increased 18.4% yoy in Q2, up from 13.7% yoy in Q1.[1] By product, export prices rose the most for minerals (mainly refined petroleum products**,** +29.2% yoy), followed by electrical equipment, which includes semiconductors and saw export prices increase 27.8% yoy, and mechanical machinery (+23.4% yoy). In real terms, transportation equipment exports, mostly autos, posted the strongest growth (+22.3% yoy), while export volumes of minerals fell the most (-9.3% yoy). By destination, nominal exports to most regions posted double-digit year-over-year growth, while exports to the Middle East dropped sharply on strait closure (-21.5% yoy).
- **Imports:** China's nominal imports rose 25.8% yoy in Q2, up from 21.0% yoy in Q1, mainly driven by higher import prices. Overall import prices increased 24.9% yoy in Q2, accelerating from 5.3% yoy in Q1, with the strongest price growth in mechanical machinery and the weakest in transportation equipment. In volume terms, stone/glass/metals (including gold) imports grew the most (+23.5% yoy), while minerals (mostly crude oil) declined the most (-17.1% yoy). By origin, nominal imports from the Middle East fell 40.6% yoy in Q2, while imports from "other countries" (e.g., Switzerland) rose 60.6% yoy. [2]
- **Outlook for goods trade surplus:** Export growth remained resilient in Q2 despite some moderation in volume terms, while import growth was largely price-driven and uneven across products. Looking ahead, we expect export volume growth to stay robust in the coming quarters, supported by the strong structural competitiveness of Chinese products, while import volume growth should remain subdued amid elevated oil prices and soft domestic demand. Incorporating Q2 trade data, we raise our 2026 export volume growth forecast to 7.9% from 7.2%, while lowering our import volume growth forecast to 4.4% from 6.8%. Higher energy prices stemming from the Middle East conflict, alongside surging AI-related prices driven by the global AI capex cycle, are expected to lift year-over-year export and import price growth to 10.4% and 21.8%, respectively, in 2026 (compared with our previous forecasts of 2.9% and

[1] Here we use the log growth rate to normalize volatility and facilitate multi-period comparisons.

[2] We estimate that China's imports from Switzerland contributed 46.2 percentage points to the 60.6% year-over-year growth in the 'others' category during Q2.

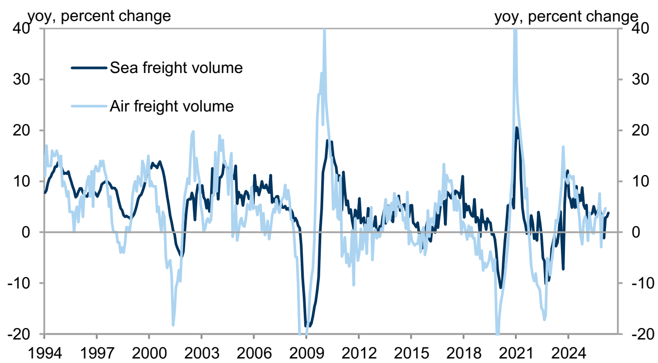
7.6%). Consequently, China's goods trade surplus is likely to narrow modestly to 4.9% of GDP in 2026, from 5.4% in 2025, with nominal exports and imports rising 19.4% and 27.1%, respectively.[3]

- **Outlook for current account:** Beyond goods trade, we expect the services trade deficit to narrow modestly in 2026 as inbound tourism continues to recover, supported by relaxed visa policies and improved tax refund rules. Combining a smaller goods trade surplus with a narrower services deficit, we forecast China's current account surplus to edge down to 3.5% of GDP in 2026 from 3.7% in 2025, before rising again in 2027 as import prices ease. Our 2026 current account forecast remains slightly above the Bloomberg consensus expectation of 3.4% of GDP, but our 2027 forecast is notably above.

[3] These are based on BOP definitions; the goods trade surplus would be 5.6% of GDP in 2026 (vs. 6.0% in 2025) based on the Customs definition

1. China export volume growth slowed, while export prices rose sharply in Q2

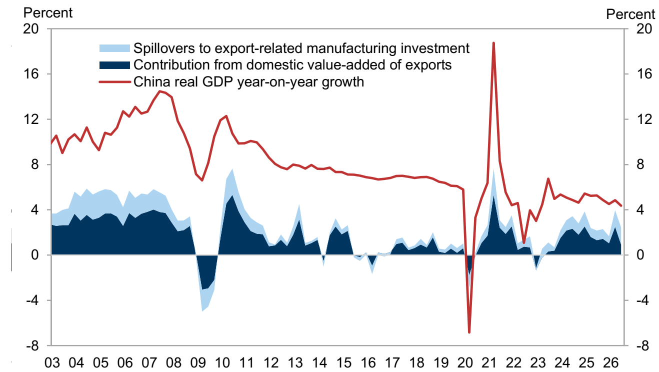
Exhibit 1: Global Air/Sea volume growth accelerated to 3.8%/3.2% yoy in Q2 from 2.8%/1.9% yoy in Q1



The Air & Sea volume indexes are based on freight volume of exports and imports in major ports and airports, including both international and domestic trade flows.

Source: Port authorities, Company data, Data compiled by Goldman Sachs Global Investment Research

Exhibit 2: Chinese exports and related investment contributed roughly half of the headline real GDP growth in Q2



Source: Haver Analytics, CEIC, Data compiled by Goldman Sachs Global Investment Research

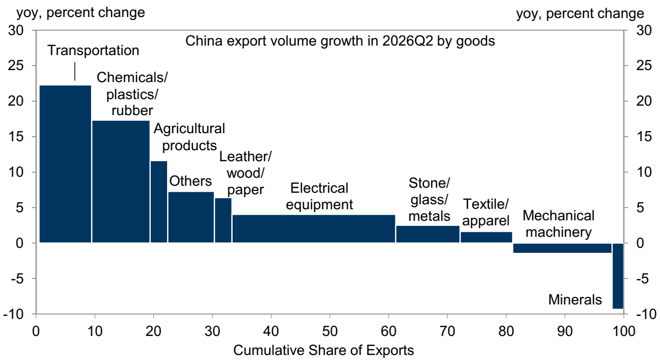
Exhibit 3: China export volume growth slowed, while export price growth accelerated notably in Q2

Source: Haver Analytics, Goldman Sachs Global Investment Research

Exhibit 4: Mainland China's nominal exports to the Middle East fell the most in Q2

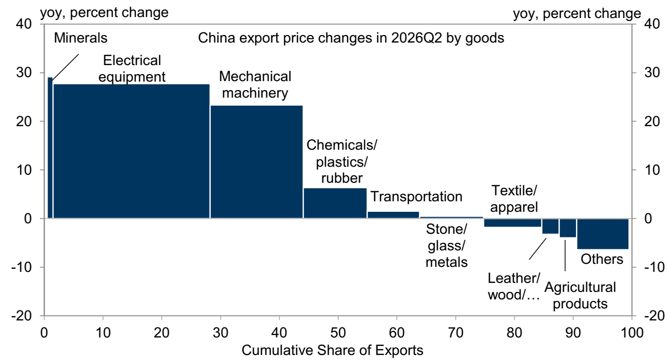
Source: Data compiled by Goldman Sachs Global Investment Research, Haver Analytics

Exhibit 5: The increase in export volume was the strongest for transportation equipment (mainly auto) and chemicals/plastics/rubber



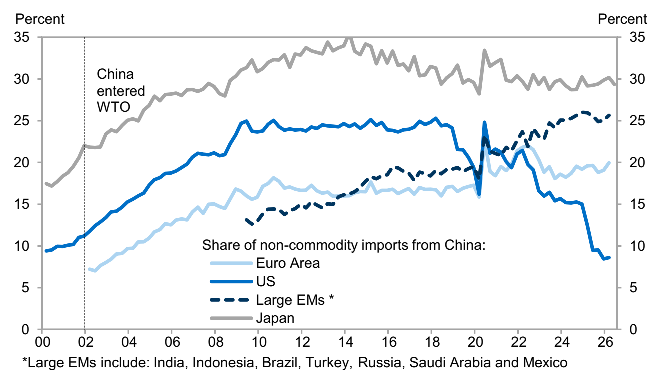
Source: CEIC, data compiled by Goldman Sachs Global Investment Research

Exhibit 6: Export prices of minerals and electrical equipment (including semiconductors) increased the most



Source: CEIC, Data compiled by Goldman Sachs Global Investment Research

Exhibit 7: China continues to gain market shares in Euro Area and large EMs



Note that some exports previously shipped directly to the US may now go via other EM economies. The latest import data is available through Q2 for Japan and Q1 for all other countries.

Source: CEIC, Haver Analytics, Data compiled by Goldman Sachs Global Investment Research

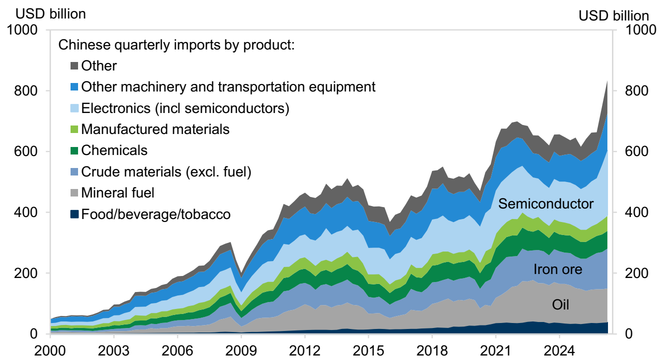
Exhibit 8: New export orders sub-indices of the official and non-official manufacturing PMIs converged in Q2

June is the latest data available.

Source: NBS, S&P Global

2. Chinese import price growth surged in Q2

Exhibit 9: Electronic products and mineral fuels accounted for nearly 40% of China's total imports as of 2026 Q2

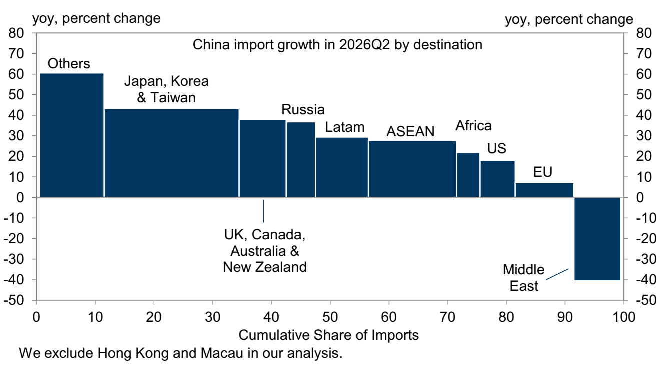


Source: NBS, Goldman Sachs Global Investment Research

Exhibit 10: Year-on-year growth of Chinese import price rose sharply in Q2

Source: Haver Analytics, Goldman Sachs Global Investment Research

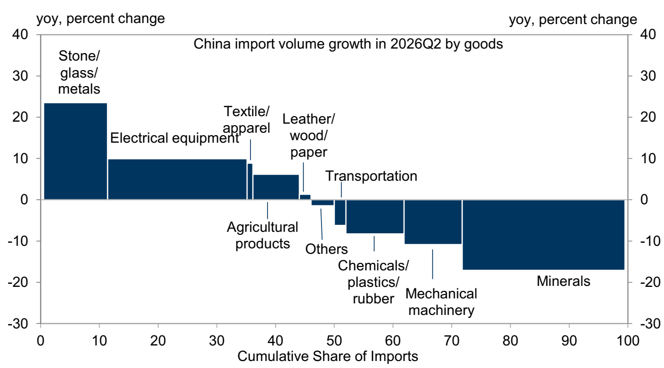
Exhibit 11: Mainland China's nominal imports from the Middle East fell the most in Q2



"Others" includes Switzerland from where China imports most gold.

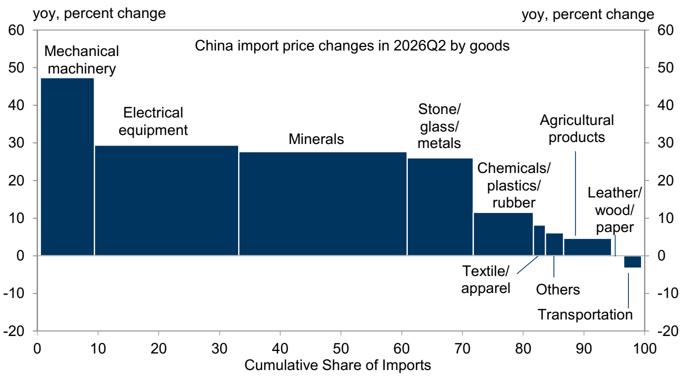
Source: Haver Analytics, data compiled by Goldman Sachs Global Investment Research

Exhibit 12: In volume terms, China imported more stone/glass/metals (including gold) and less minerals (mainly crude oil) in Q2



Source: CEIC, Data compiled by Goldman Sachs Global Investment Research

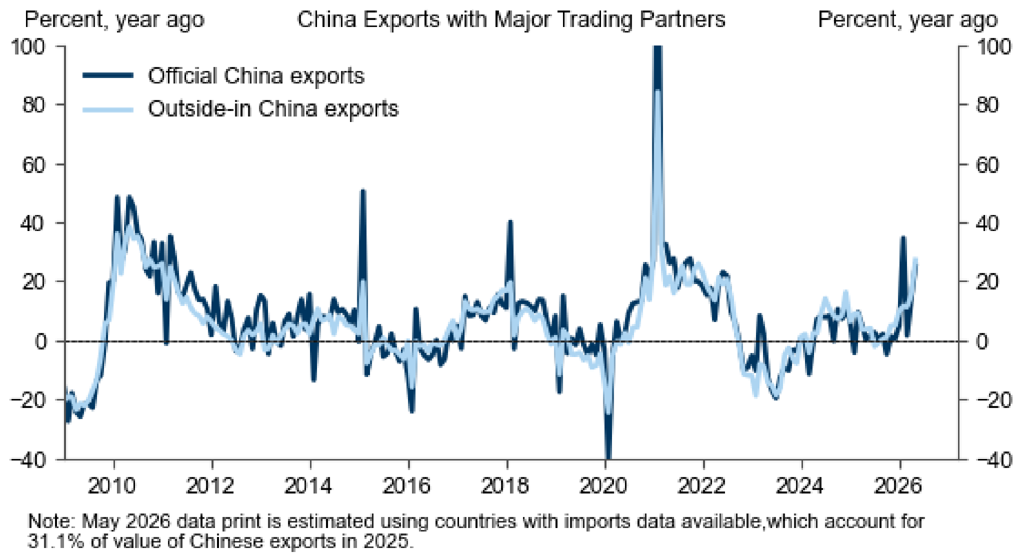
Exhibit 13: Import prices of mechanical machinery rose the most, while that of transportation equipment fell the most



Source: CEIC, Data compiled by Goldman Sachs Global Investment Research

3. Our China outside-in trade tracker was largely consistent with official data

Exhibit 14: Our China outside-in export tracker is generally in line with the official export growth data in May



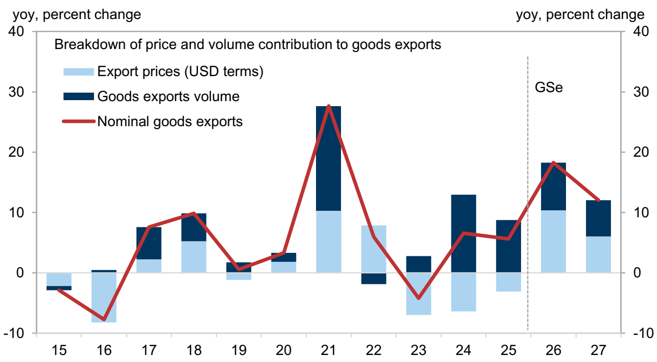
Source: Haver Analytics, CEIC, Goldman Sachs Global Investment Research

Exhibit 15: Our China outside-in import tracker slightly underperformed the official import growth data in May

Source: Haver Analytics, CEIC, Goldman Sachs Global Investment Research

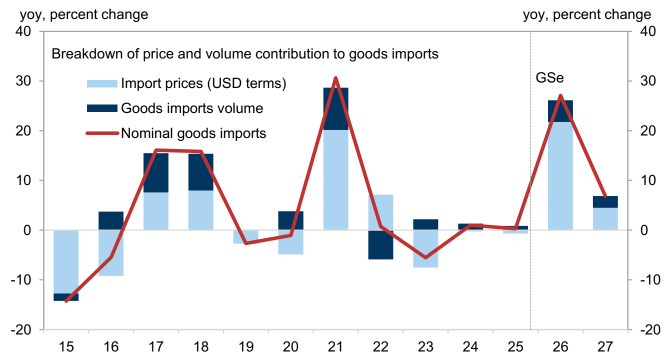
4. We expect the current account surplus to narrow modestly in 2026

Exhibit 16: We expect export volume to slow marginally to 7.9% in 2026 from 8.7% yoy in 2025



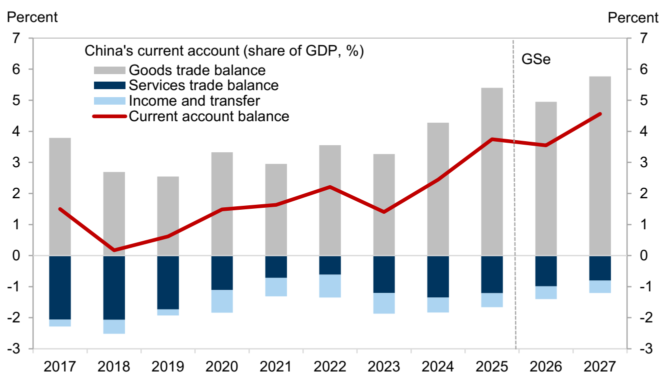
Source: Haver Analytics, Goldman Sachs Global Investment Research

Exhibit 17: We expect import price to increase sharply in 2026



Source: Haver Analytics, Goldman Sachs Global Investment Research

Exhibit 18: We expect the current account surplus to narrow modestly in 2026



Source: Haver Analytics, Goldman Sachs Global Investment Research

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