

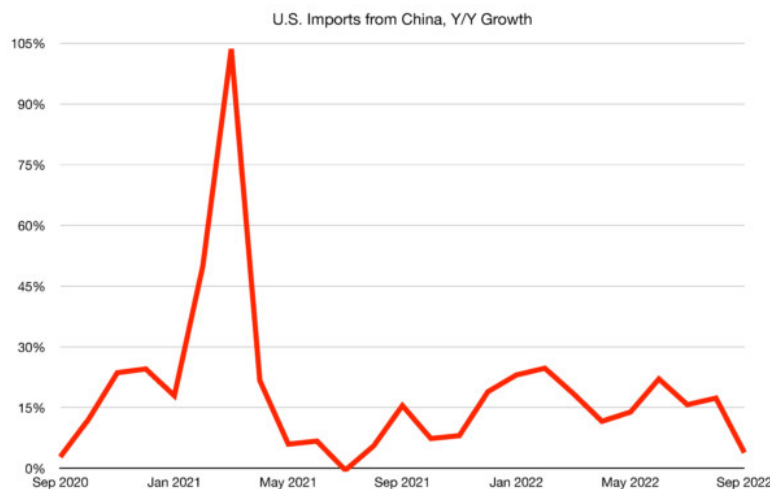
## Chinese Exports Weaken, Global Economy Experiences Slowdown - Global Trade

Chinese exports are crucial for nearly all countries around the world and reflect the status of the global economy, whereas now both are experiencing a slowdown. Chinese exports expanded just 7.1% in August from the year earlier, which is the slowest pace of growth since April, when the zero-Covid policy led to lockdowns that disrupted shipping.

China's exports are mainly goods, which consumers are now in waning demand for due to inflation and an inclination towards spending on services. Factories across the globe have scaled back their production, with China acting as an accurate expectation for other regions. China's exports, as a whole, are not just impacted by changes in consumer demand but also by extreme weather in the region and extremely strict Covid policies, where even a minor outbreak could shut down a factory for an extended period.

U.S. imports from China fell to a two-year low in September, showing only 3% annual growth. This is the lowest annual growth since the height of the COVID-19 pandemic in September 2020. By Chinese government estimates, though, China's exports to the U.S. decreased by 3.8%, a two-year low as well. In Europe, imports from China have grown by 11.1% (still, less than half of the growth the month prior) as China supplies energy-related goods that have become too expensive to produce in Europe.

The main area where exports have spiked is from China to Russia, where exports jumped over 25% compared to the previous year, as Western corporations halt business with Russia over the Ukraine War. Overall, decreasing Chinese exports foreshadow an economic slowdown and fragility to come.



Sources: Bloomberg, General Administration of Customs, U.S. Census Bureau

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