

Nov exports shoot up

By Zhao Qian, Global Times, 2013-12-9

China's exports saw higher-than-expected growth in November, according to official data released Sunday, as demand has been stimulated by improvements in developed overseas economies and a rise in shopping ahead of the upcoming winter holiday.

Exports rose by 12.6 percent year-on-year to \$202.21 billion in November, the General Administration of Customs (GAC) said on its website.

Imports rose by 5.3 percent year-on-year, hitting a total of \$168.4 billion, raising the country's trade surplus to \$33.8 billion in November.

"The total exports came in higher than expected," Xu Hongcai, director of the Department of Information under the China Center for International Economic Exchanges, a government think tank, told the Global Times Sunday.

Xu ascribed the growth to seasonal factors such as rising foreign demand for goods before the Christmas holidays.

"Economic recovery in the US and Europe is another factor driving China's export growth," Xu noted.

The US, EU and Southeast Asian economies were the top three destinations for China's exports in November, according to the customs data.

Exports to the US rose by 17.7 percent year-on-year in November, up from a rise of 8.1 percent year-on-year in October, according to the GAC.

Likewise, exports to the EU jumped by 18.4 percent year-on-year in November, up from a rise of 12.7 percent year-on-year in October.

Lu Zhengwei, chief economist with Industrial Bank Co, echoed Xu's opinion about seasonal factors boosting exports in November, which rose much more than his forecast of around 7 percent. "It is common to see exports increase in the fourth quarter each year," Lu told the Global Times Sunday.

However, both Xu and Lu showed cautious attitudes about the outlook for the country's exports.

"It is unlikely there will be double-digit growth in exports next year due to

uncertain global factors," Xu said.

The possible withdrawal by the US Federal Reserve from its quantitative easing program could have a negative impact on China's exports, according to Xu.

There have been no clear signs that the country's export-oriented enterprises are seeing better business performance, so "we should not be too optimistic about the outlook for China's exports," Lu noted.

Small and medium-sized export-oriented enterprises in southeastern coastal areas are still struggling with the poor global business environment, Li Jianming, deputy director at the China Enterprise Confederation, told the Global Times Sunday.

Despite the better-than-expected exports in November, analysts said strong data for one month will not have a big impact on the country's overall economic conditions or the central government's policies.

China's economy used to rely on exports, investment and domestic consumption, "but in the future China should pay more attention to consumption," Xu said.

As exports of labor intensive products will not be a sustainable pillar for the country's economy, a modification of the country's export product structure is urgently needed, according to Xu.

November's relatively low imports indicate that China's domestic consumption is not growing as fast as was expected, according to Xu.

The 5.3 percent year-on-year growth for imports in November was below Lu's forecast of around 7 percent.

Comprehensive reform plans were announced after the Third Plenary Session of the 18th Communist Party of China Central Committee last month, in order to guide the country's economy toward a more sustainable path.