

May Trade Data: AI Demand Propels Chinese Mainland's Trade



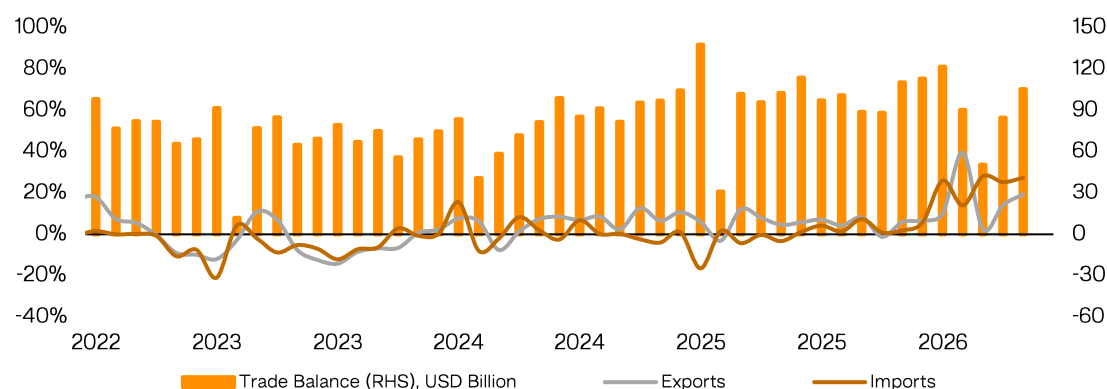
Summary:

- May exports recorded a significantly stronger-than-expected rebound, surging by 19.4% YoY, driven by high-tech manufacturing.
- The surge was broad-based, highlighted by a notable acceleration in shipments to the US and double-digit growth across ASEAN and BRICS economies.
- Import growth remained elevated at 27.4% YoY, propelled by AI supply chain demand, domestic innovation policies and higher global commodity prices.

The Chinese Mainland's external trade demonstrated formidable strength in May, significantly exceeding expectations. Export growth for May accelerated to 19.4% year-on-year (YoY) in USD terms, well above the 15% consensus, while import growth remained elevated at 27.4%. Robust global demand for AI-related products and sustained competitiveness in manufacturing catalyzed the export surge. Meanwhile, firm import momentum was supported by domestic innovation policies as well as higher global commodity prices. Consequently, the trade surplus widened further to USD 105.43 billion in May, compared to USD 102.7 billion a year ago and USD 84.8 billion in April.

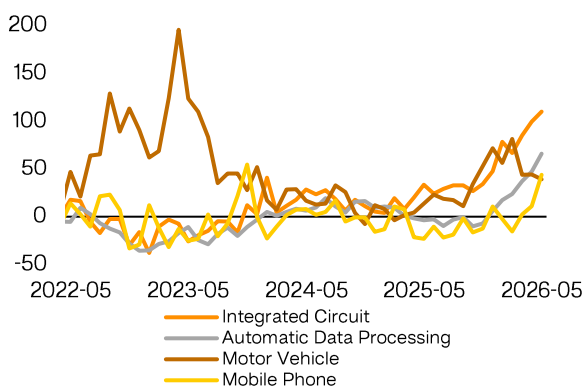
Semiconductor-related exports posted remarkable growth, heavily supported by the AI-driven global technology cycle. Integrated circuit (IC) exports remained a paramount driver, with value surging by 110.9% YoY in May despite only a 2.1% increase in volume. This sharp divergence underscores the outsized impact of surging global chip prices. Export growth of computers and related components also accelerated to 66.1% YoY in May. Alongside mobile phones (+44.3% YoY), overall high-tech exports grew by 50.9% YoY. Furthermore, auto exports maintained robust growth at 39.3% YoY, reflecting strong momentum in the electric vehicle segment.

Export, Import Growth (YoY) and Trade Balance



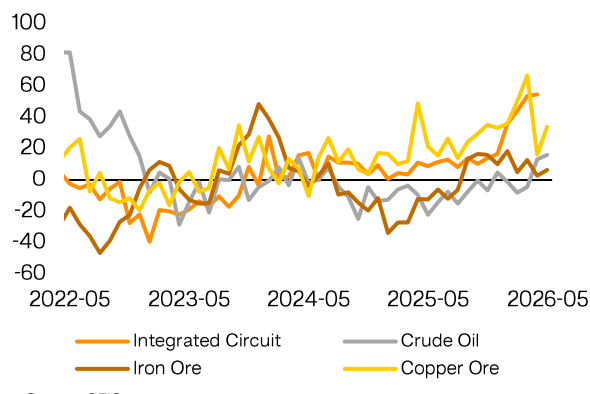
Source: CEIC

China Exports by Product, % YoY



Source: CEIC

China Imports by Product, % YoY



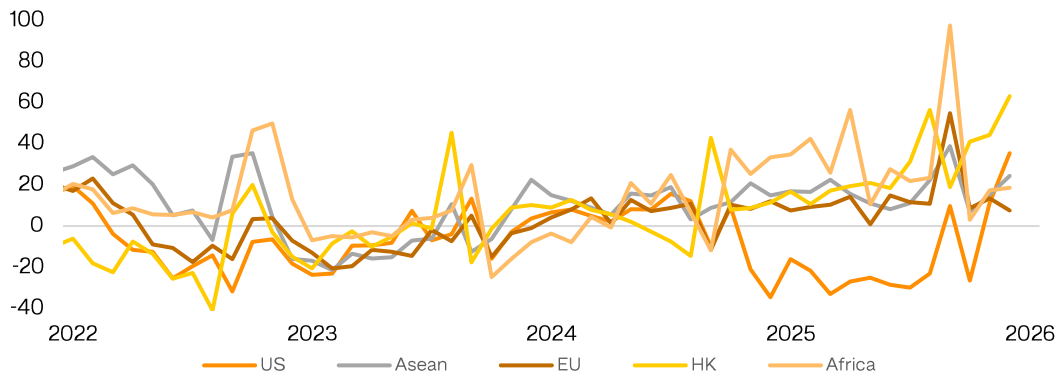
Source: CEIC

Imports growth remained elevated in May, driven by AI supply chain demand and higher global commodity prices. The strong 27.4% headline import growth for May was bolstered by domestic innovation development in the Chinese Mainland. Notably, IC imports increased by 68.0%. In addition, imports of 11 major commodities totalled USD 84.4 billion in May, rising by 11.5% YoY, largely due to higher prices for key commodities such as oil, copper and aluminium.

Trade momentum strengthened across major trading partners. Exports to the US accelerated sharply, rising by 35.4% YoY in May (up from +11.3% in April). This acceleration was supported by favourable base effects from the April 2025 tariff escalation, as well as stabilising US–China trade ties amid resumed high-level exchanges. Among other advanced economies, exports to Japan grew by 10.9% YoY (from +4.0%), while export growth to the EU moderated to 7.6% (from +13.4%). Exports to emerging markets remained solid, rising by 14.2% YoY (from +11.6%). Within this cohort, exports to ASEAN (+24.3%) and BRICS economies (+23.0%) remained robust.

Looking ahead, the Chinese Mainland's external trade is poised to maintain its solid growth momentum in the near term, underpinned by the ongoing AI supercycle. However, this constructive outlook warrants caution, as persistent geopolitical uncertainties, elevated energy prices and restrictive monetary conditions continue to pose downside risks over the medium-term.

Exports by Major Destination, % YoY



Source: CEIC

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