

EU - China Summit

EU27 deficit in trade in goods with China of 170 bn euro in 2008

China second trading partner of EU27

Between 2000 and 2008 **EU27** trade in goods with **China**¹ more than tripled in value, with **EU27** exports to **China** rising to 78 billion euro in 2008 compared with 26 bn in 2000, and imports rising to 248 bn from 75 bn. As a result, the **EU27** trade deficit with **China** increased significantly, reaching 169 bn in 2008, compared with 49 bn in 2000.

The share of **China** in the **EU27**'s total external trade in goods more than doubled between 2000 and 2008. In 2008, **China** was the **EU27**'s second most important trading partner after the **USA**, accounting for 6% of **EU27** exports and 16% of **EU27** imports.

On the occasion of the 11th **European Union - China** summit, which will take place on 20 May in **Prague**, **Eurostat**, the **Statistical Office of the European Communities**, issues data on trade and investments between **China** and the **EU**.

Germany, 43% of EU27 exports to China and 21% of EU27 imports

Among the **EU27** Member States, **Germany** (34 bn euro or 43% of EU exports) was by far the largest exporter to **China** in 2008, followed by **France** (9 bn or 11%), **Italy** and the **United Kingdom** (both 6 bn or 8%). **Germany** (51 bn or 21% of EU imports) was also the largest importer, followed by the **Netherlands**² (41 bn or 16%), the **United Kingdom** (33 bn or 13%) and **Italy** (24 bn or 10%).

All Member States registered deficits in trade with **China** in 2008. The largest deficits were observed in the **Netherlands**² (-37 bn euro), the **United Kingdom** (-27 bn), **Germany** and **Italy** (both -17 bn) and **Spain** (-15 bn).

Nearly 60% of **EU27** exports to **China** in 2008 were machinery and vehicles³ and one fifth were other manufactured articles³, while these two groups accounted for more than 90% of imports. At the detailed level, the main **EU27** exports to **China** included aircraft and motor cars, while the main imports included computers and parts, mobile phones and video games.

EU27 trade in goods with China million euro

	2000	2001	2002	2003	2004	2005	2006	2007	2008
China									
Exports	25 863	30 665	35 099	41 473	48 371	51 825	63 784	71 887	78 428
Imports	74 632	82 000	90 148	106 221	128 590	160 327	194 831	232 517	247 695
Balance	-48 768	-51 335	-55 049	-64 748	-80 219	-108 502	-131 046	-160 630	-169 267
Total Extra-EU27									
Exports	849 739	884 707	891 899	869 236	952 723	1 052 720	1 159 295	1 240 913	1 308 707
Imports	992 698	979 145	936 972	935 270	1 026 709	1 179 569	1 351 730	1 433 513	1 551 632
Balance	-142 959	-94 438	-45 073	-66 034	-73 986	-126 849	-192 435	-192 601	-242 925
China / Total									
Exports	3.0%	3.5%	3.9%	4.8%	5.1%	4.9%	5.5%	5.8%	6.0%
Imports	7.5%	8.4%	9.6%	11.4%	12.5%	13.6%	14.4%	16.2%	16.0%

EU27 Member States' trade in goods with China
million euro

	Exports		Imports		Balance	
	2000	2008	2000	2008	2000	2008
EU27	25 863	78 428	74 632	247 695	-48 768	-169 267
Belgium ²	1 340	3 389	4 011	13 209	-2 671	-9 820
Bulgaria	12	110	74	755	-62	-645
Czech Republic	72	547	755	4 720	-683	-4 173
Denmark	424	1 491	1 429	4 296	-1 005	-2 805
Germany	9 459	34 067	17 126	51 320	-7 667	-17 253
Estonia	7	54	164	293	-157	-240
Ireland	166	1 593	741	1 856	-574	-263
Greece	33	104	757	3 345	-724	-3 241
Spain	553	2 145	4 136	17 097	-3 583	-14 952
France	3 424	8 983	8 158	19 143	-4 734	-10 160
Italy	2 380	6 444	7 028	23 600	-4 647	-17 156
Cyprus	1	7	129	386	-128	-379
Latvia	0	19	26	250	-26	-231
Lithuania	2	19	89	542	-88	-523
Luxembourg	68	157	89	4 068	-21	-3 911
Hungary	44	767	1 031	5 581	-986	-4 813
Malta	2	25	61	105	-59	-81
Netherlands ²	1 116	3 959	8 705	40 592	-7 589	-36 633
Austria	586	1 936	842	3 204	-257	-1 267
Poland	107	867	1 500	6 268	-1 393	-5 401
Portugal	53	183	382	1 342	-330	-1 159
Romania	93	160	189	2 397	-96	-2 237
Slovenia	16	121	149	616	-133	-495
Slovakia	10	419	191	2 077	-181	-1 659
Finland	1 462	2 059	935	3 163	527	-1 104
Sweden	2 043	2 696	1 859	4 765	185	-2 069
United Kingdom	2 391	6 107	14 077	32 704	-11 687	-26 598
Total Extra-EU27	849 739	1 308 707	992 698	1 551 632	-142 959	-242 925
China / Total	3.0%	6.0%	7.5%	16.0%		

EU27 trade in goods with China by product
million euro

	Exports		Imports		Balance	
	2000	2008	2000	2008	2000	2008
Total	25 863	78 428	74 632	247 695	-48 768	-169 267
Primary products:	2 018	6 859	3 498	7 444	-1 480	-584
<i>Food & drink</i>	439	1 327	1 525	3 558	-1 086	-2 231
<i>Crude materials</i>	1 417	5 342	1 571	2 937	-154	2 404
<i>Energy</i>	162	191	402	948	-239	-758
Manufactured goods:	23 234	69 398	70 611	239 183	-47 376	-169 785
<i>Chemicals</i>	2 421	8 490	2 805	9 281	-385	-792
<i>Machinery & vehicles³</i>	16 528	46 574	27 739	114 677	-11 211	-68 102
<i>Other manuf'd articles³</i>	4 285	14 334	40 066	115 225	-35 781	-100 891
Other	611	2 171	524	1 068	87	1 103

EU27 surplus of 6 bn in trade in services with China

In 2008, the **EU27** exported 20.3 bn euro of services to **China**, while imports from **China** amounted to 14.5 bn, meaning that the **EU27** had a surplus of 5.8 bn in trade in services with **China**, compared with +1.5 bn in 2006 and +4.0 bn in 2007. The surplus in 2008 was mainly due to other business services⁴ (+3.7 bn) and royalties & license fees (+1.6 bn). **China** accounted for around 3.5% of total extra-**EU27** trade in services.

EU27 trade in services with China

million euro

	Credit			Debit			Net		
	2006	2007	2008*	2006	2007	2008*	2006	2007	2008*
Total	13 346	17 766	20 323	11 890	13 770	14 541	1 456	3 996	5 782
of which:									
Transportation	4 330	5 513	7 363	5 492	6 567	7 630	-1 162	-1 054	-267
Travel	1 827	1 882	1 993	2 473	2 913	2 225	-646	-1 031	-232
Other services	7 190	10 369	10 783	3 919	4 265	4 579	3 271	6 104	6 203
of which:									
<i>Communications services</i>	200	233	262	154	187	177	46	46	85
<i>Construction services</i>	633	543	587	352	401	605	282	142	-18
<i>Insurance services</i>	115	109	166	219	281	276	-104	-172	-110
<i>Financial services</i>	375	453	381	146	181	195	229	273	186
<i>Computer and information services</i>	345	541	825	113	171	189	232	370	636
<i>Royalties and license fees</i>	1 474	1 179	1 645	32	120	-1	1 442	1 059	1 646
<i>Other business services⁴</i>	3 888	7 127	6 695	2 775	2 796	2 999	1 113	4 331	3 696
<i>Personal cultural and recreational services</i>	16	24	48	27	26	31	-11	-2	17
<i>Government services other</i>	145	160	174	101	104	109	43	56	65
Total extra-EU27	447 080	498 523	520 479	378 555	414 399	445 044	68 525	84 124	75 435
China / total extra-EU27	3.0%	3.6%	3.9%	3.1%	3.3%	3.3%			

* Provisional data

Fall in investment flows between EU27 and China in 2008

EU27 Foreign Direct Investment (FDI) into **China** rose from 6.7 bn in 2006 to 7.1 bn in 2007, then fell to 4.5 bn in 2008, while **Chinese** direct investment into the **EU27** decreased from 2.2 bn in 2006 to 0.6 bn in 2007 and 0.1 bn in 2008.

EU27 FDI flows with China

(million euro)

	2006	2007	2008*
EU27 FDI in China (outward)	6 677	7 118	4 460
Chinese FDI in the EU27 (inward)	2 232	616	71
Net EU27 FDI flows (outward minus inward)	4 445	6 502	4 389

* Provisional data

- All data for China presented in this release exclude Hong Kong.
- Dutch imports and therefore the trade deficit are over-estimated because of the "Rotterdam effect" where goods destined for the rest of the EU arrive and are recorded in harmonised EU external trade statistics in Dutch ports. This then has a positive effect on the external trade balances with China of those Member States to which the goods are re-exported as these shipments would be recorded as intra-EU trade with the Netherlands rather than extra-EU trade with China. To a lesser extent, Belgian trade figures are similarly over-estimated.
- Machinery and vehicles** includes power generating and industrial machinery, computers, electric and electronic parts and equipment, road vehicles and parts, ships, airplanes and railway equipment.

Other manufactured articles include leather, rubber, wood, paper, textiles, metals, building fixtures and fittings, furniture, clothes, shoes and accessories, scientific instruments, clocks, watches and cameras.

4. **Other business services** comprise merchanting and other trade-related services, operational leasing services and miscellaneous business, professional and technical services.

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