

EU – China Summit

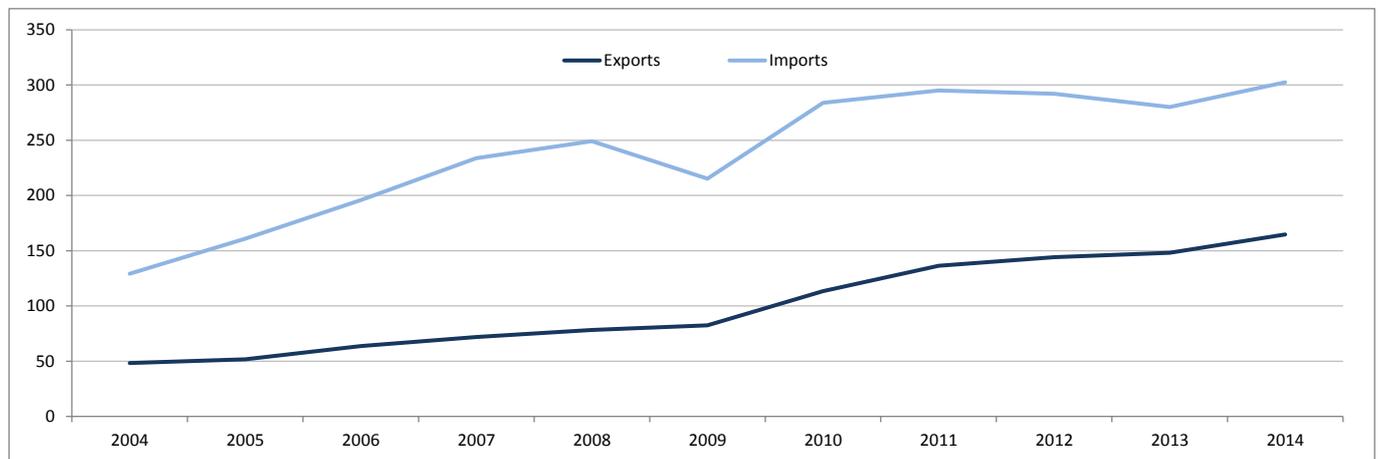
EU trade with China significantly up in 2014 for both goods and services

EU deficit for goods, EU surplus for services

Except for the drop recorded in 2009 following the financial crisis, the value of **European Union (EU)** imports of goods from **China** has significantly increased over the last decade, from €129.2 bn in 2004 to a peak of €302.5 bn in 2014. Exports, which did not decline in 2009, have more than tripled over the period 2004-2014 to hit €164.7 bn last year. The **EU** trade deficit with **China**, continuous during the whole period, decreased between 2010 and 2013, before growing again in 2014 to -€137.7 bn.

China is the second most important **EU** trading partner behind the United States, accounting for 14% of total extra-**EU** trade in goods in 2014 (compared with 9% in 2004). Over this 10-year time period, the share of **China** in extra-**EU** imports increased from 12.6% in 2004 to 18.0% in 2014, and its share in exports almost doubled (5.1% in 2004 vs. 9.7% in 2014).

Evolution of EU exports and imports of goods with China, 2004-2014
(in € billion)



On the occasion of the **European Union – China** summit, which will take place on 29 June in Brussels, **Eurostat**, the statistical office of the European Union, issues data on trade and investments between **China** and the **EU**.

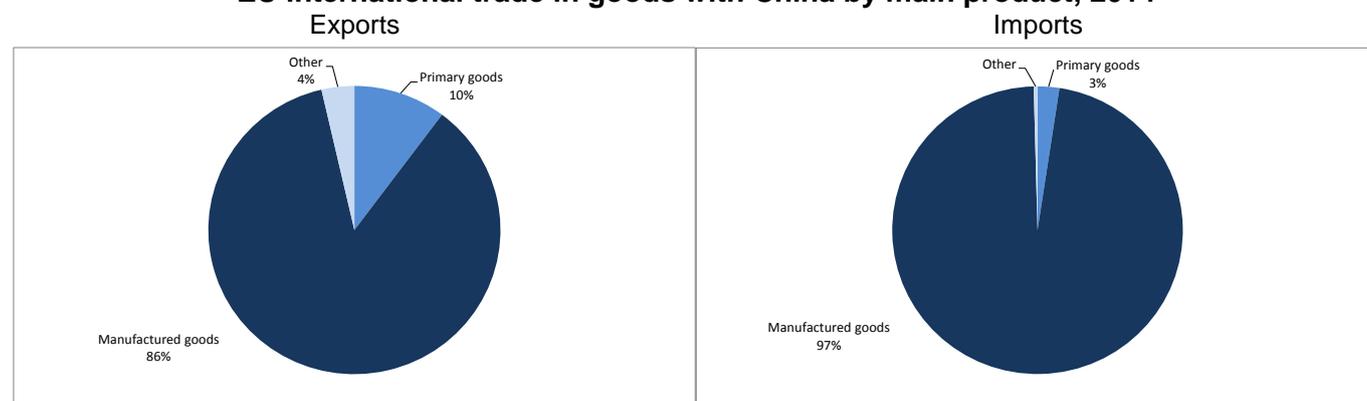
Manufactured goods dominate both imports and exports

EU trade in goods with **China** is clearly dominated by manufactured goods, which accounted in 2014 for 97% of total **EU** imports from **China** and 86% of **EU** exports to **China**. The €152.0 bn deficit recorded by the **EU** for its trade in manufactured goods with **China** is only partially offset by a small **EU** surplus in primary goods (+€9.5 bn), in particular for raw materials (+€6.3 bn).

EU international trade in goods with China and the world
(in € billion)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
China											
Exports	48.4	51.7	63.7	71.8	78.3	82.4	113.5	136.4	144.2	148.2	164.7
Imports	129.2	161.0	195.8	233.9	249.1	215.3	283.9	295.1	292.1	280.1	302.5
Balance	-80.8	-109.3	-132.1	-162.0	-170.8	-132.9	-170.5	-158.6	-147.9	-131.9	-137.7
Total Extra-EU											
Exports	945.2	1 049.5	1 152.4	1 234.5	1 309.1	1 094.0	1 353.2	1 554.2	1 684.2	1 736.6	1 702.8
Imports	1 027.4	1 183.9	1 364.6	1 450.3	1 585.2	1 235.6	1 529.4	1 725.1	1 796.6	1 685.0	1 680.4
Balance	-82.2	-134.5	-212.2	-215.9	-276.1	-141.7	-176.2	-170.9	-112.3	51.6	22.4
China / Total											
Exports	5.1%	4.9%	5.5%	5.8%	6.0%	7.5%	8.4%	8.8%	8.6%	8.5%	9.7%
Imports	12.6%	13.6%	14.3%	16.1%	15.7%	17.4%	18.6%	17.1%	16.3%	16.6%	18.0%

EU international trade in goods with China by main product, 2014



EU international trade in goods with China by product
(in € million)

	Exports		Imports		Balance	
	2013	2014	2013	2014	2013	2014
Total	148 154	164 737	280 092	302 455	-131 939	-137 718
Primary goods:	17 024	16 863	7 229	7 320	9 796	9 543
<i>Food & drink</i>	4 918	5 639	4 354	4 358	564	1 281
<i>Raw materials</i>	10 113	9 106	2 657	2 781	7 455	6 325
<i>Energy</i>	1 994	2 118	217	181	1 777	1 937
Manufactured goods:	129 021	141 900	271 840	293 867	-142 819	-151 967
<i>Chemicals</i>	17 370	18 879	13 162	14 257	4 208	4 622
<i>Machinery & vehicles¹</i>	85 472	95 891	139 238	146 842	-53 767	-50 951
<i>Other manuf'd goods¹</i>	26 179	27 130	119 440	132 768	-93 261	-105 638
Other	2 108	5 974	1 024	1 267	1 084	4 706

Germany and Finland, only EU Member States recording a surplus in goods with China

Among the **EU** Member States, **Germany** (€75.0 bn or 46% of EU exports of goods to China) was by far the largest exporter to **China** in 2014, followed at a distance by the **United Kingdom** (€19.6 bn or 12%), **France** (€16.2 bn or 10%) and **Italy** (€10.5 bn or 6%). Compared with 2013, exports to **China** increased in each of these four largest partners. At **EU** level, exports of goods to **China** grew by 11% in 2014.

Germany (€60.9 bn or 20% of EU imports of goods from China) was also the largest importer from **China** in 2014, ahead of the **Netherlands**² (€57.3 bn or 19%), the **United Kingdom** (€45.8 bn or 15%), **France** (€25.4 bn or 8%) and **Italy** (€25.1 bn or 8%). Among these top EU importers from **China**, imports increased in all in 2014. **EU** imports of goods from **China** rose by 8% in 2014.

Every **EU** Member State recorded a deficit in trade in goods with **China** in 2014, except **Germany** (+€14.1 bn) and **Finland** (+€0.7 bn). The largest deficits were observed in the **Netherlands**² (-€48.8 bn), the **United Kingdom** (-€26.2 bn), **Italy** (-€14.6 bn), **Spain** (-€12.4 bn), **France** (-€9.2 bn) and **Poland** (-€8.9 bn).

EU Member States' international trade in goods with China (in € million)

	Exports		Imports		Balance	
	2013	2014	2013	2014	2013	2014
EU	148 154	164 737	280 092	302 455	-131 939	-137 718
Belgium ²	7 230	7 490	12 999	13 567	-5 769	-6 078
Bulgaria	651	533	767	865	-116	-332
Czech Republic	1 446	1 532	6 281	7 160	-4 835	-5 628
Denmark	2 578	2 922	4 838	5 179	-2 260	-2 257
Germany	67 153	75 024	57 583	60 909	9 569	14 115
Estonia	99	139	576	606	-477	-467
Ireland	1 408	1 481	2 041	2 192	-632	-711
Greece	419	279	2 194	2 492	-1 775	-2 213
Spain	3 942	4 082	14 419	16 525	-10 477	-12 444
France	14 813	16 190	24 603	25 394	-9 791	-9 205
Croatia	57	51	956	443	-898	-391
Italy	9 843	10 494	23 071	25 055	-13 228	-14 560
Cyprus	33	39	202	221	-169	-182
Latvia	86	108	342	355	-256	-247
Lithuania	88	102	565	666	-477	-564
Luxembourg	197	195	1 282	1 190	-1 085	-995
Hungary	1 435	1 410	5 169	5 002	-3 734	-3 591
Malta	47	23	136	147	-89	-124
Netherlands ²	8 628	8 460	53 375	57 299	-44 747	-48 839
Austria	2 772	2 982	4 485	4 894	-1 713	-1 912
Poland	1 589	1 683	8 469	10 550	-6 880	-8 867
Portugal	657	839	1 370	1 597	-713	-758
Romania	499	567	1 972	2 354	-1 473	-1 787
Slovenia	169	215	1 018	1 132	-849	-917
Slovakia	1 596	1 375	2 468	2 493	-871	-1 118
Finland	2 766	2 564	1 759	1 856	1 007	708
Sweden	4 571	4 382	6 172	6 536	-1 600	-2 155
United Kingdom	13 381	19 577	40 981	45 774	-27 600	-26 197

Growing surplus in EU trade in services with China

EU exports of services to **China** jumped by 27% between 2012 and 2014, from €25.1 bn to €31.7 bn, while imports increased more moderately, from €20.0 bn in 2012 to €22.6 bn in 2014. As a result, the **EU** surplus in trade in services with **China** grew by €4.0 bn over the last three years, from €5.1 bn in 2012 to €9.2 bn in 2014. This surplus was mainly due to surpluses in travel services (+€3.3 bn), charges for the use of intellectual property (+€3.1 bn) and as well as telecommunications, computer and information services (+€2.5 bn). The most significant deficit was registered for transport services (-€1.7 bn). **China** accounted in 2014 for around 4% of total extra-EU trade in services, representing the third most important **EU** partner behind the United States and Switzerland.

EU international trade in services with China (in € million)

	Exports			Imports			Balance		
	2012	2013	2014*	2012	2013	2014*	2012	2013	2014*
Total	25 068	28 993	31 730	19 956	20 896	22 571	5 112	8 098	9 158
of which:									
Transport	7 863	7 824	7 829	8 843	8 830	9 519	-980	-1 006	-1 690
Travel	4 225	5 339	6 061	2 509	2 407	2 760	1 715	2 931	3 301
Telecommunications, computer and information services	2 184	2 806	3 101	646	841	605	1 538	1 965	2 496
Financial services	534	654	778	262	292	223	272	362	555
Insurance & pensions services	354	1 165	1 206	266	224	408	88	942	797
Intellectual property	2 286	2 209	3 269	80	176	121	2 206	2 033	3 147
Other business services ³	6 136	7 589	8 094	6 469	6 629	7 315	-333	960	779
Other	1 486	1 407	1 392	881	1 497	1 619	605	-89	-227
Total extra-EU	675 783	709 695	734 777	514 872	531 603	583 376	160 911	178 092	151 402
China / total extra-EU	3.7%	4.1%	4.3%	3.9%	3.9%	3.9%			

* 2014 data come from annualised quarterly Balance of Payments data.

China net investor in the EU in 2014

Although fluctuating from one year to the next, Foreign Direct Investment (FDI) flows between the **EU** and **China** have continuously been positive over the last four years. In 2014, **EU** investment in **China** however decreased to €9.1 bn, while **Chinese** investment flows into the **EU** rose to reach €12.1 bn, meaning that **China** was a net investor in the **EU** last year.

EU FDI flows⁴ with China (in € million)

	2011	2012	2013	2014
EU FDI flows to China	21 422	9 839	17 102	9 139
Chinese FDI flows to the EU	4 536	9 924	5 547	12 098

- 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 goods includes articles made of leather, rubber and wood, paper, textiles, metals, building fixtures and fittings, furniture, clothes, shoes and accessories, scientific instruments, clocks, watches and cameras.
- Dutch imports 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.
- Other business services** comprise research and development, professional and management consulting services, technical, trade-related and other business services.
- The FDI figures are based on annualised EU quarterly balance of payments data. Data for 2013 and 2014 are compiled according to new international standards set out in the sixth edition of IMF Manual on Balance of Payments and International Investment Position (BPM6), while data for 2011 and 2012 were compiled according to the previous, fifth edition (BPM5). For this reason, data for 2013-2014 are not directly comparable with previous years. FDI data according to BPM6 for years before 2013 are planned to be disseminated as part of the EU balance of payments in July 2015.

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