DHL GLOBAL TRADE BAROMETER – CHINA

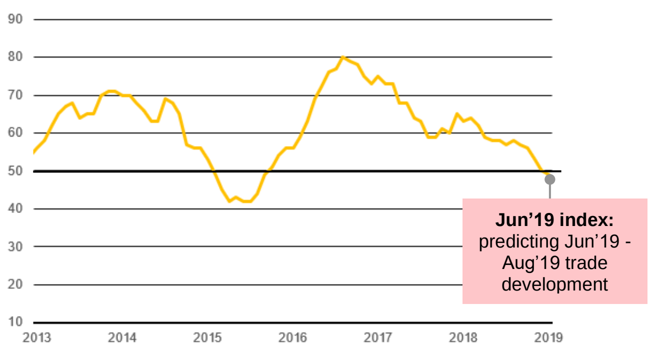
June 2019

Chinese trade mildly contracting due to weakened ocean trade

Key findings:

- Chinese trade contracts slightly as the overall index decreased by -7 points to 49.
- Weak ocean trade is mainly responsible for Chinas sluggish outlook, dropping -8 points to 47. Whilst ocean imports have a negative growth forecast, ocean exports are forecasted to show zero growth.
- The Chinese air trade outlook maintains marginal growth at 51 index points, contracting -6 points. Air imports continue to drive the air trade outlook.

DHL Global Trade Barometer – China
Index 2013 – present, 50 = no change



DHL Global Trade Barometer – China
Indexes – latest four months

	Mar'18	Apr'19	May'19	Jun'19
China Trade	**56**	53	50	**49**
Air Trade	**57**	54	52	**51**
Ocean Trade	**55**	52	49	**47**

The DHL Global Trade Barometer predicted a slight contraction in Chinese trade compared to March, as the overall index decreased by -7 points to 49. This is mainly attributed to the deceleration in both air and ocean outlook, notably with ocean trade dropping -8 points to 47, while the air trade outlook holds onto marginal growth at 51 index points, contracting -6 points. China's new weakness in trade growth can be seen as a result of the trade conflict with the US. So far, this has been particularly affecting Chinese imports, which significantly lose momentum. In contrast, the country's export economy manages to maintain a mild trade growth forecast.

Chinese air imports continue to drive the air trade outlook as Machinery Parts, Temperature or Climate Controlled goods, Basic Raw Materials and Chemicals & Products are expected to grow, albeit at a slower pace. However, part of this growth is offset by the negative outlook for Capital Equipment & Machinery, High Technology and Industrial Raw Materials imports.

The outlook for Chinese air exports is slightly negative as Consumer Fashion Goods, Personal & Household Goods and Industrial Raw Materials remain the weakest industries for air exports, indicating contraction. High Technology and Basic Raw Materials exports are weakening compared to the March update, though still growing moderately.

The ocean trade outlook is negative as well, primarily in imports. The forecasted growth of Industrial Raw Materials imports is more than offset by the dull outlook for Basic Raw Materials imports. Ocean exports are forecasted to show zero growth, while Personal & Household Goods, Industrial Raw Materials and Machinery Parts exports are anticipated to grow moderately. The expected contraction of Land Vehicles & Parts, Basic Raw Materials and Consumer Fashion Goods exports counteracts the growth of the remaining industries for Chinese ocean exports.

Particularly significant decelerations could be found within Basic Raw Materials, which fell -14 points to 22, and Consumer Fashion Goods, which declined by -15 points to 37.

DHL Global Trade Barometer – China
Sector development – latest four months

	Mar	Apr	May	Jun
Basic Raw Materials	**36**	32	24	**22**
Capital Equip. & Machinery	**28**	25	25	**28**
Chemicals & Products	**75**	75	74	**66**
Consumer Fashion Goods	**52**	52	38	**37**
High Technology	**53**	45	47	**50**
Industrial Raw Materials	**71**	67	72	**70**
Land Vehicles & Parts	**45**	39	37	**35**
Machinery Parts	**65**	64	59	**56**
Personal & Household Goods	**66**	63	57	**57**
Temperature or Climate Control	**55**	54	54	**54**

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About the DHL Global Trade Barometer:

The DHL Global Trade Barometer an early indicator for the current state and future development of global trade. It is based on import and export data for a number of intermediates and early-cycle commodities that serve as the basis for further industrial production. Sources for the index are aggregated market data from air and containerized ocean freight from seven countries (China, South Korea, Germany, India, Japan, UK, USA), which account for more than 75 percent of world trade. These data are evaluated using artificial intelligence and various statistical methods and compressed to a single index value that represents the weighted average of the current growth and the upcoming two months of trade. The index, which was designed in cooperation with Accenture, is published four times a year by DHL on a global scale as well as for each of the seven countries surveyed.

About DHL:

Being the world's leading logistics provider, DHL is ideally equipped to derive a global trade outlook from logistics data. DHL has both, a deep understanding of the driving forces behind global trade volumes and the industry expertise to analyze and interpret occurring market data. With its family of divisions, DHL offers an unrivalled portfolio of logistics services ranging from national and international parcel delivery, e-commerce shipping and fulfillment solutions, international express, road, air and ocean transport to industrial supply chain management. DHL employs about 350,000 people in more than 220 countries and territories worldwide, reliably enabling global trade flows. With specialized solutions for growth markets and industries including technology, life sciences and healthcare, energy, automotive and retail, a proven commitment to corporate responsibility and an unrivalled presence in developing markets, DHL is decisively positioned as "The logistics company for the world".

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