China trade surplus hits historic record

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16 January 2026

China's trade surplus for 2025 has come in at $1.2 trillion, the largest level ever recorded for any country with no indication that it will fall significantly in the coming period despite the tariff barriers erected against it by the Trump administration and the threats by other countries to impose restrictions.

The record surplus, up from $993 billion in 2024, was achieved despite a 20 percent fall in exports to the US which was more than compensated for by the increase in exports to the rest of the world.

Exports to Southeast Asian countries jumped by 13 percent last year, those to the European Union rose 8.4 percent, to Latin America 7.4 percent and to Africa surged by 26 percent.

In the case of Africa, the increase was partly the result of purchases that had never been made before. As the *New York Times* reported in a survey of Chinese trade in November, two years ago China sold only 100 electric cars in Nigeria; this year it has sold thousands. Solar panel shipments to Algeria last year were nearly four times those of 2024. Steel shipments to Africa were up by 39 percent for the year.

Exports increased by 5.5 percent in dollar terms compared to 2024 and it appears, at least at this point, there is no end in sight. Exports for the month of December increased by 6.6 percent in dollar terms, which was more than double the Bloomberg forecast of a 3.1 percent rise and well above the growth rate for November of 5.9 percent.

For December alone the trade surplus was $114 billion, the third highest monthly level eclipsed only by the surpluses for January and June last year.

The Chinese surplus is higher by an order of magnitude than anything seen before in modern economic history. Japan's surplus peaked in 1993 at $96 billion, equivalent to $214 billion in today's money and Germany's surplus reached a sum equivalent to $364 billion in 2017.

China has become the world leader in a growing array of commodities, including cars, batteries and solar panels. It is the world's major producer of steel and its shipbuilding capacity dwarfs that of the US. Despite restrictions imposed by the US and others, its technological capacities were forcefully demonstrated last year when the startup company DeepSeek produced an AI chatbot comparable to those produced in the US at a fraction of the cost.

In response to criticism of the surplus from the major economic powers, particularly the European Union, which has complained that it is being flooded with cheap Chinese imports, the Chinese government sought to turn the tables.

The vice minister of the General Administration of Customs of China, Wang Jun, said the export controls of China's partners were preventing China from importing more.

And then directing remarks at the US, without directly naming it, he continued: "It should be pointed out that some countries politicise economic and trade issues, issuing various pretexts to restrict exports of high-tech products to China; otherwise, we would import more. There is vast room for import growth."

But such calls for the freeing up of trade and the lifting of export controls will not bring about a lessening of restrictions. Rather, they are likely to be intensified. Foreshadowing moves by the EU, French President Emmanual Marcon has called the flood of goods coming out of China "unbearable."

On a visit to China last month, the managing director of the International Monetary Fund (IMF), Kristalina Georgieva, delivered a thinly veiled warning to the Chinese government as the trade surplus for the first 11 months of the year passed the $1 trillion mark.

"As the second largest economy in the world, China is simply too big to generate much growth from exports, and continuing to depend on export-led growth risks furthering global trade tensions," she said.

In other words, if the export surge continues other countries will hit back with tariffs and other restrictions.

The demand of the IMF and others, including some from within China itself, is that the government do more to stimulate the domestic economy and expand social services. But the regime of Xi Jinping shows no sign of doing that apart from some short-lived measures to boost consumption.

The refusal to take measures to advance growth within China is leading to problems as the government continues to grapple with stagnant consumption spending, falling investment apart from high-tech and export sectors and the drag on the economy as a result of the collapse of the property boom.

As for social services, like capitalist governments around the world, the Xi regime, despite its "socialist" pretensions, is hostile to the expansion of welfare measures to the aged and the working class more broadly.

Back in 2021, Xi declared: "Once welfare benefits go up, they cannot easily be brought down. Engaging in 'welfarism' beyond our capacity is unsustainable and will inevitably bring about serious economic and political problems."

In words that could have come out of the mouth of any "free market" capitalist politician in the West, Xi is on record as saying: "We must resolutely avoid falling into the trap of 'welfarism' that breeds idleness."

In opposition to the demand for an expansion of the domestic economy, the Chinese government has doubled down on its drive to develop technology. Further development in this area and an increase in exports—the trade surplus already accounts for more than a tenth of China's economic output—is at the centre of the latest five-year plan which will be formally approved at the National People's Congress scheduled for March.

The official policy of the Chinese Communist Party is the "peaceful development of China" (formerly the "peaceful rise of China" but amended to try to assuage opposition from the major imperialist powers).

But changes in rhetoric do not change objective economic reality and the announcement of a record trade surplus will only intensify the preparations by imperialism to deal with China by military means.

Successive US governments, beginning well before Trump, have used every economic measure at their disposal—tariffs, export controls, bans on the use of Chinese technology in the US and globally—to try to hold back Chinese growth and technological development, regarding it as the chief threat to the global dominance of the US.

But as the trade numbers reveal, these efforts are manifestly failing. The only area in which the US enjoys clear superiority is high-tech development but that is being steadily eroded. While the US has kept silent on the record surplus—no doubt in line with the year-long trade truce with China reached last October—the "spectacular flop" of its measures, as it has been described in some sections of the media, will have been duly noted.

This means the increasing turn to imperialist war by the US as it strives to maintain its economic dominance.