



ИНП РАН



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# *The Chinese Export Phenomenon: Who and Where is China Displacing?*

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**1. Motivation**

2. Data and focus

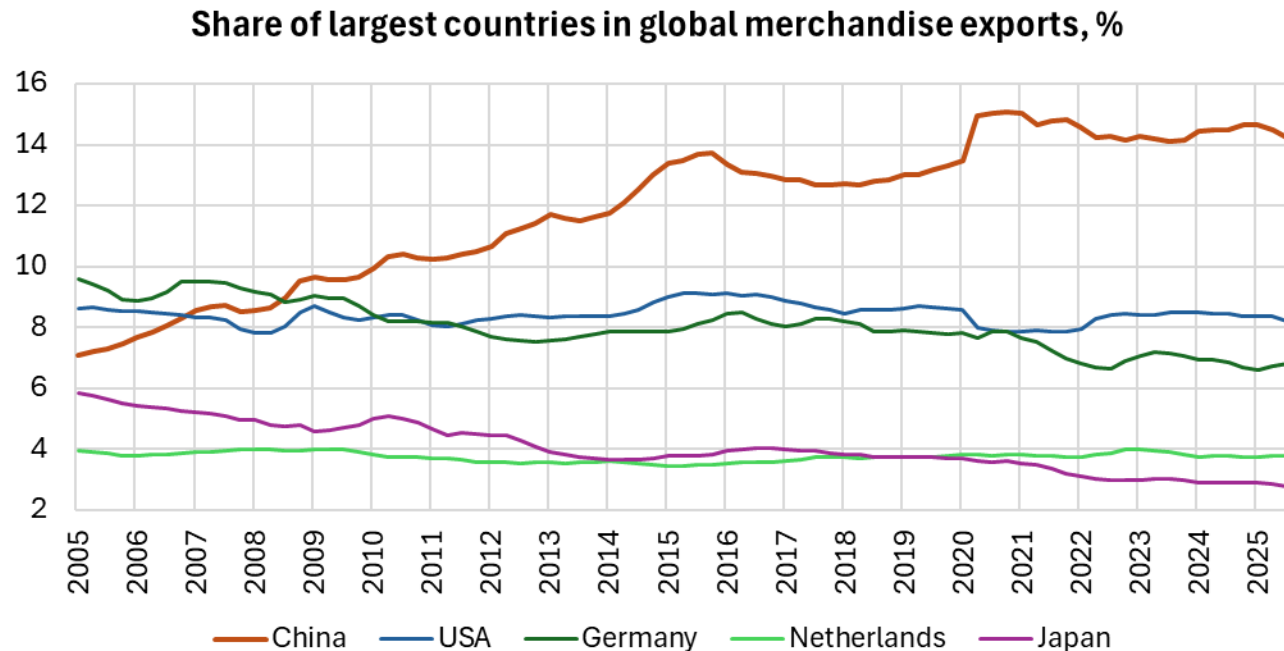
3. Empirical results

4. Conclusion

# 1. Motivation

## China's changing role in global exports: the 'two waves'

- China surpassed Germany in terms of merchandise exports in 2009, and then continued to increase its share in global exports until 2015
- In 2020, China's share in global exports increased sharply, as the country fared better than others after the onset of the pandemic



# 1. Motivation

## The diverging trends in China's exports: values vs volumes

- In 2021-2022, China's contribution to global trade remained quite stable
- In 2023-2025, a divergence emerged between the trends in current and constant prices: in the first case, China's share in global exports increased slightly, while in the second case, this indicator grew rapidly



# 1. Motivation

## Contradictory nature of China's recent export trends: the reason?

- The common point is the excess production capacity in China, partly formed by subsidies; in this case, additional output can be stored or sold cheaper locally or internationally ([Al-Haschimi and Spital, 2024](#); [Garcia-Herrero and Xu, 2025](#))
  - But excess output can also be formed through exploitation of scale economies, which reduces unit production costs — the explanation closer to China's official position ([Lovely et al., 2025](#))
- The second factor is renminbi depreciation: supports international competitiveness of Chinese products and increases its current account surplus ([IMF, 2025](#))
  - But the impact of renminbi exchange rate on China's exports has significantly decreased after the global financial crisis due to sophistication of its export basket ([Chen et al., 2023](#))
- Another explanation is a large-scale reorientation of sales towards exports due to weak domestic demand: in particular, a drop in construction volumes in China led to an increase in steel exports by almost 75% since 2022 ([Al-Haschimi et al., 2025](#))
  - This example shows that China's exports experienced a pronounced structural change in the past two or three years; however, such structural factors have not yet been systematically reflected and studied in the literature

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## 2. Data and focus

### Data source

- The study is based on annual CEPII BACI data\* on international trade of China and other countries for the period from 2019 to 2024
- Data on exports of China and other countries are used to estimate the share of China and its competitors in global exports ('who is it displacing?')
- Data on imports of China's partner countries are used to estimate China's share in key foreign markets ('where is it displacing?')

### Novelty

- The research is novel in its comprehensive examination of changes in China's export structure and in the extent of China's penetration into other markets over the recently available period
- This approach is fruitful in providing a basis for comparing the impact of structural and macroeconomic factors on China's export growth

## 2. *Data and focus*

The study aims at improving our understanding of the current structural change in China's exports by...

- i. ... identifying products with the highest growth in China's share in global exports\*
- ii. ... revealing countries with the most pronounced decline in their share in global exports (for products with the highest growth in China's share in global exports)
- iii. ... testing the hypothesis that the share of products with relatively low unit values in China's exports has increased in 2023-2024, which has made a very important contribution to the decline in average export prices
- iv. ... assessing changes in China's export concentration across importing countries
- v. ... revealing countries which experienced the highest growth in the share of Chinese products in their total imports\*\*
- vi. ... testing the hypothesis that the increase in the presence of Chinese products in different markets varies significantly, partly due to differences in product structure

1. Motivation
2. Data and focus
- 3. Empirical results**
4. Conclusion

### 3. Empirical results

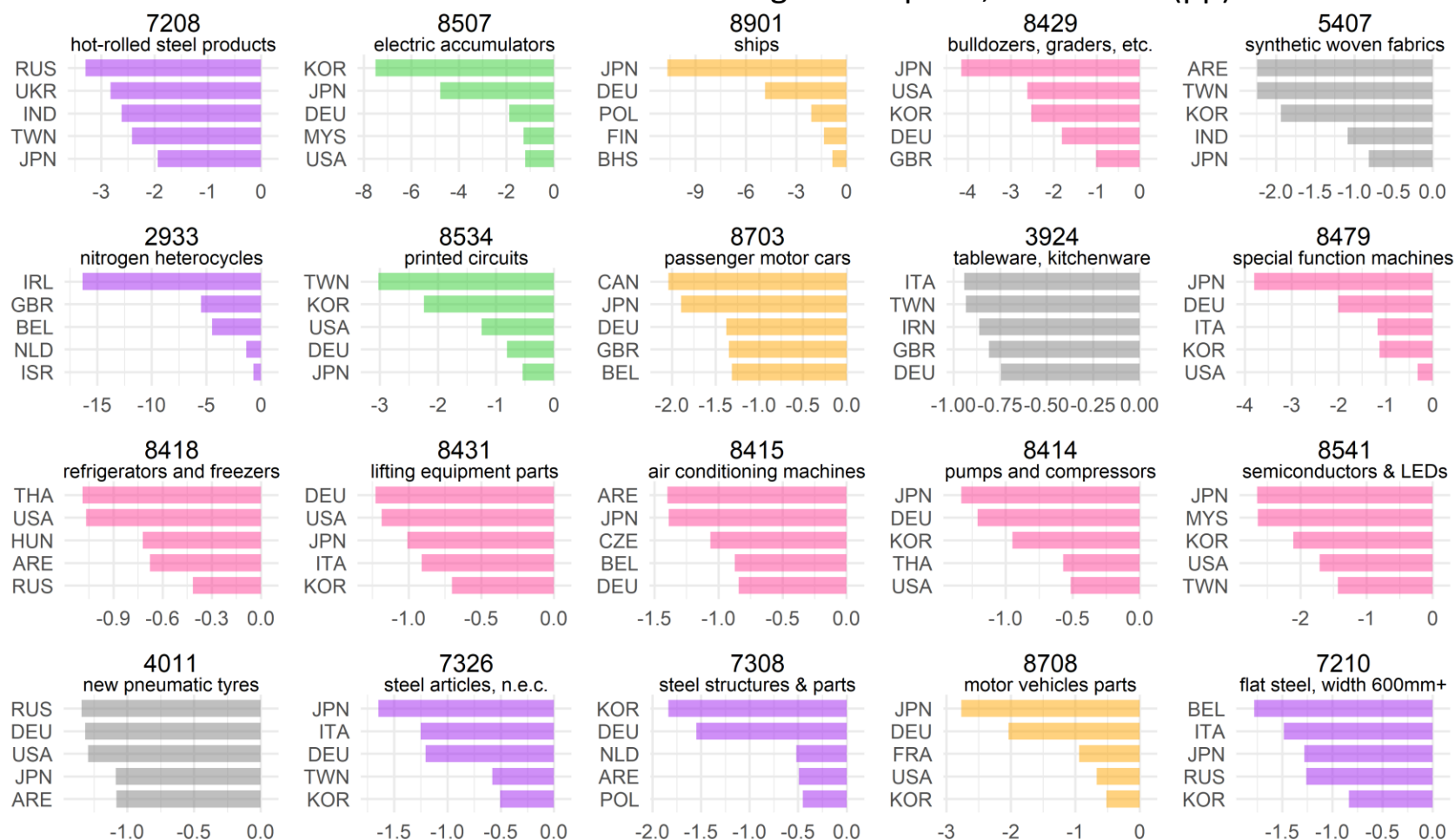
#### i. China's share in global exports has soared in the narrow product range



# 3. Empirical results

ii. In these top-growing products, China has displaced a set of countries

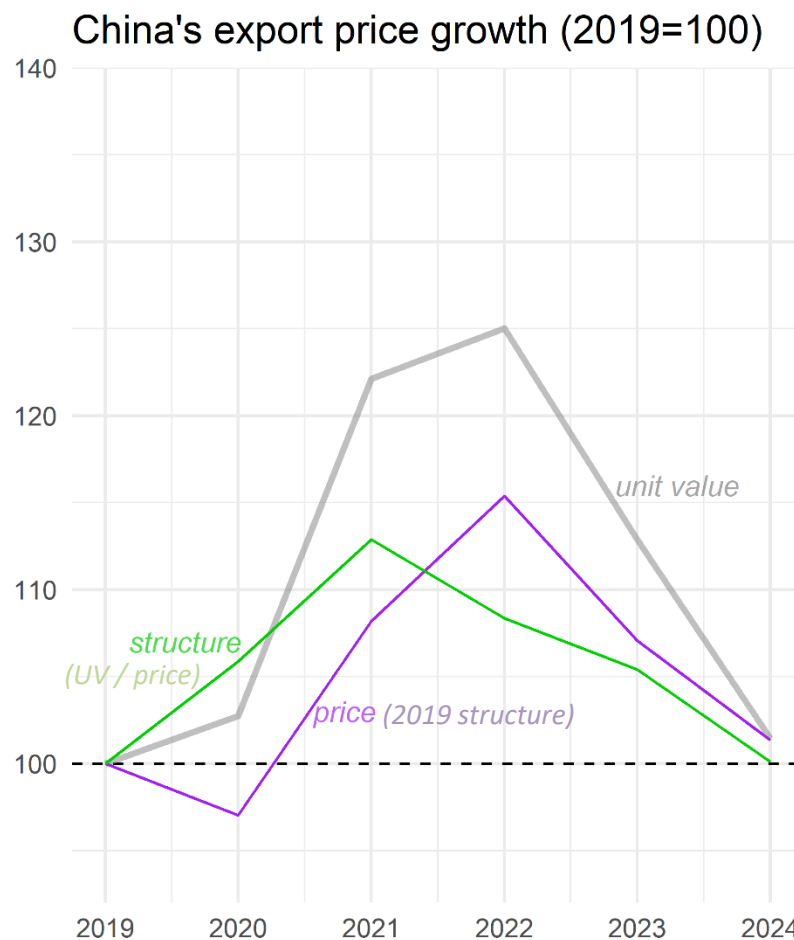
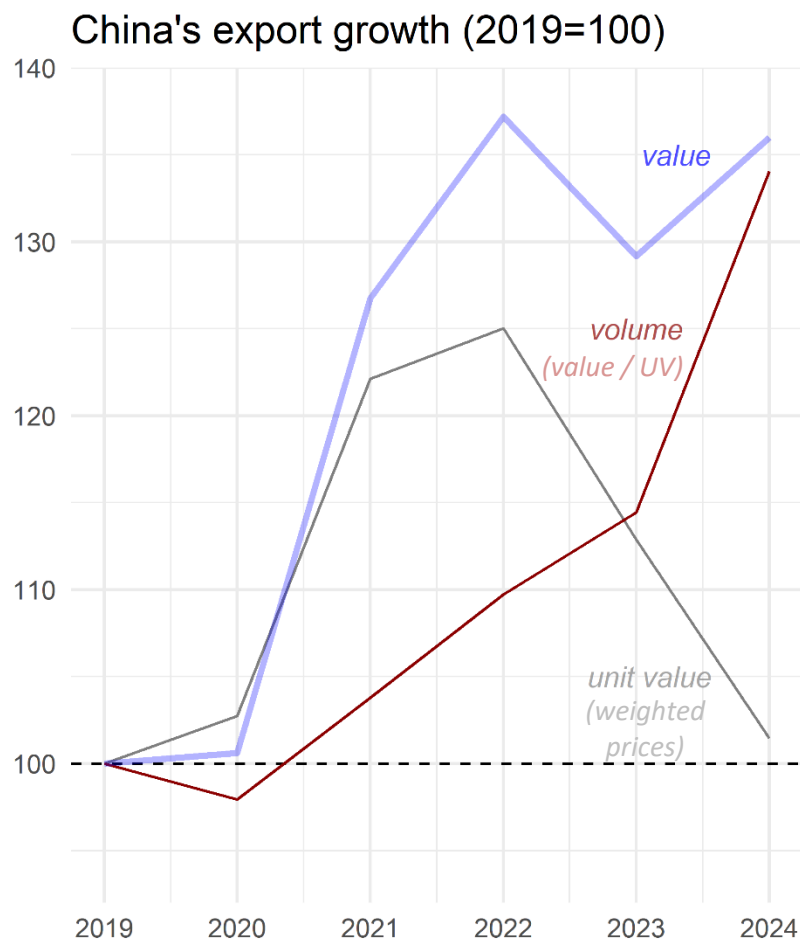
Decline in other countries' share in global exports, 2019-2024 (pp)



### 3. Empirical results

#### iii. Structural shifts\* explain a large part of China's export volume growth

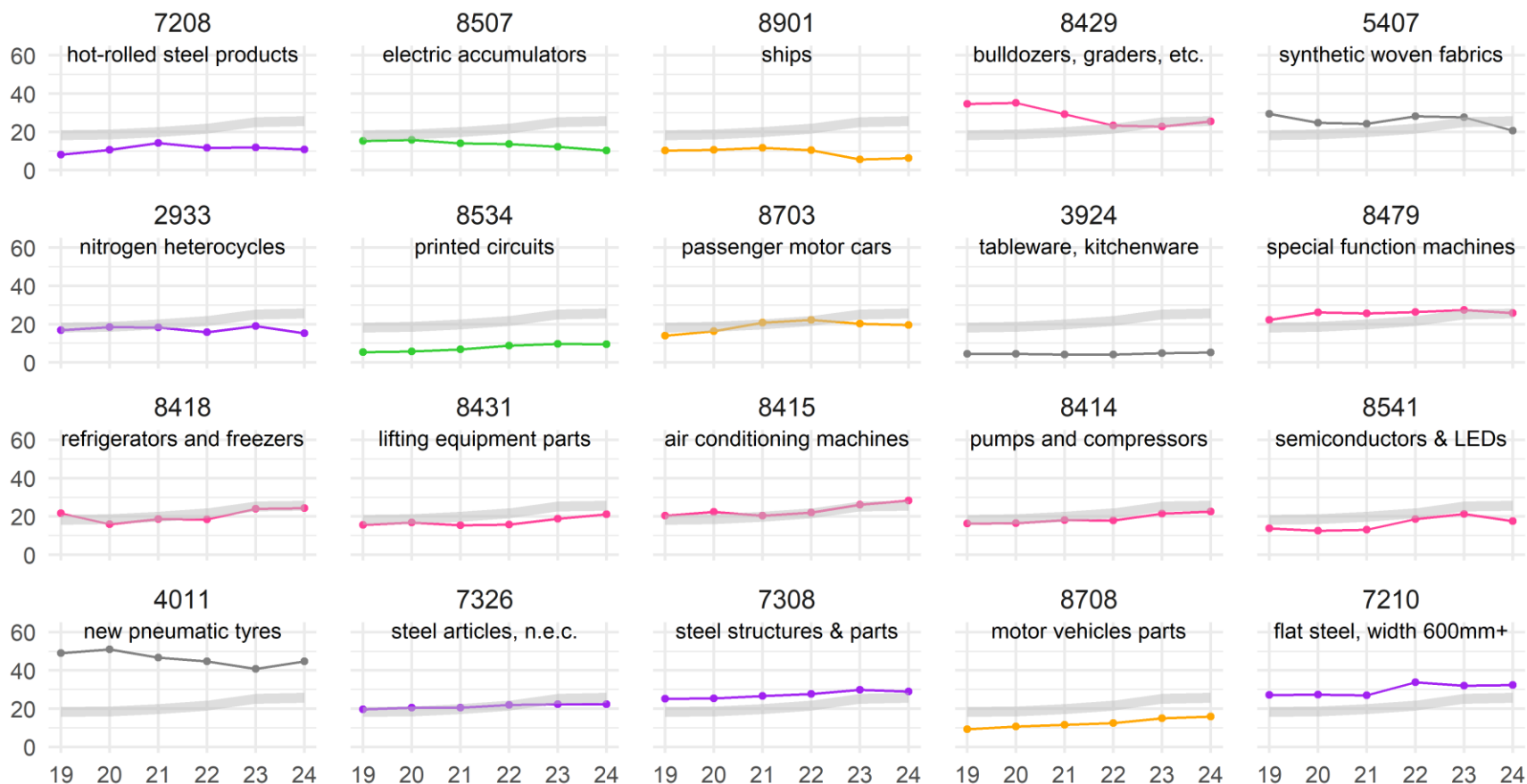
Decomposition of China's export growth: volume, structure & prices (2019-2024, pp)



### 3. Empirical results

iv. For the most top-growing products, China's exports has concentrated

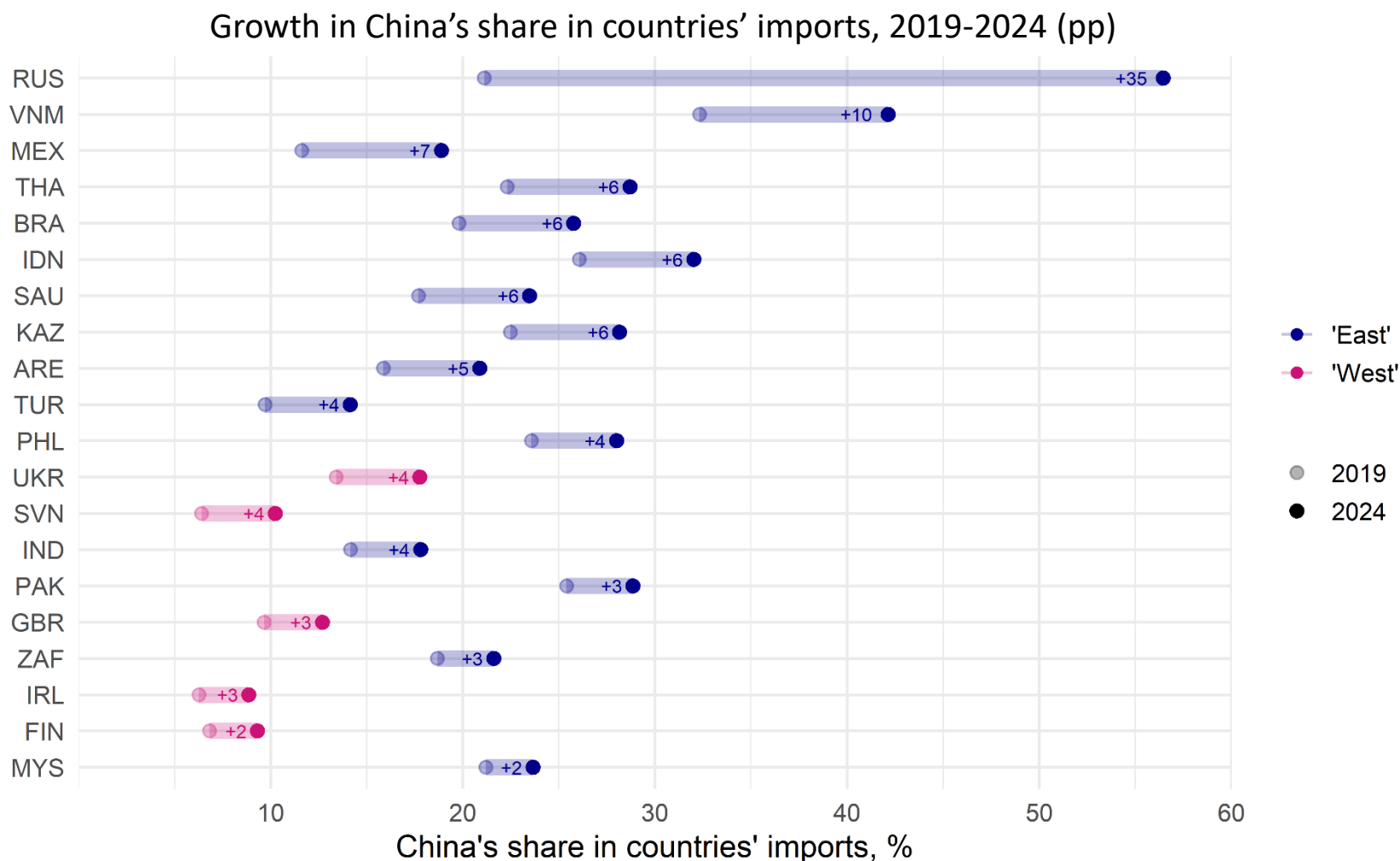
China's export diversification\* across trade partners, by product



\* The indicator is the reciprocal of Herfindahl-Hirschman index; grey line reflects aggregate geographic diversification for total exports

### 3. Empirical results

v. China has increased its presence at the markets of 'Eastern' countries



### 3. Empirical results

- vi. The binary for sanctions is even more important, and the share of top-growing products in countries' imports is also significant and robust...

OLS estimations of factors impacting the presence of China in different markets  
*Dependent variable: change in the share of China in countries' total imports, 2019-2024 (pp)*

	(1)	(2)	(3)	(4)	(5)
(intercept)	0.10 (1.16)	-2.24 (0.69)**	-1.38 (1.26)	-1.65 (0.87)*	-1.63 (0.92)*
share of top-growing products in countries' imports from CHN in 2019	0.28 (0.07)***	0.31 (0.05)***	0.24 (0.07)***	0.27 (0.05)***	0.27 (0.05)***
is a country in the 'Eastern block': binary			3.07 (1.13)**	2.00 (0.79)*	2.01 (0.83)*
is a country under sanctions (IRN, RUS, BLR): binary					23.57 (2.42)***
R-squared	<b>0.1176</b>	<b>0.5259</b>	<b>0.1748</b>	<b>0.2792</b>	<b>0.5652</b>
Adj. R-squared	0.1095	0.5134	0.1593	0.2653	0.5529
No of observations	110	40	110	107	110
<i>Comment</i>	<i>All</i>	<i>Western block</i>	<i>All</i>	<i>Non-sanctioned</i>	<i>All</i>
<i>P-values (coefficient significance):</i>	*** 0 – 0.001		** 0.001 – 0.01		* 0.01 – 0.1



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2. Data and focus
3. Empirical results
- 4. Conclusion**

## 4. Conclusion

The research based on CEPII BACI data for 2019-2024 has shown that...

- i. ... structural change in China's exports has been rooted in the few fast-growing exported products in the categories of materials, electronics, vehicles & machines
- ii. ... in top-growing products, China has partly displaced exports of such countries as Japan (vehicles & machinery), South Korea (electronics & machinery), Taiwan (electronics), Russia (metals & tyres), EU countries (wide range of products)
- iii. ... the outpacing growth of China's export volume over export value in 2023-2024 has been powered nearly equally by both price reductions and structural change towards products with low prices
- iv. ... while overall geographical concentration of China's export decreased, China has experienced a rise in export concentration for the most top-growing products
- v. ... import dependence on China has considerably increased primarily for countries from the 'Eastern' bloc (such as Russia, Vietnam, Mexico, Thailand, Brazil, etc.)
- vi. ... increase in the presence of China in different markets varies due to sanctions status, bloc affiliation ('East' vs 'West') & share of top-growing products in imports



*Thanks for your attention!*

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