GLOBAL TRADE OBSERVATORY

CHINA COUNTRY REPORT

2026

DP WORLD

CHANGE WHAT'S POSSIBLE

CONTENTS

COUNTRY TRADE PROFILE

TOP EXPORT DESTINATIONS[4]	TOP IMPORT ORIGINS[4]	TOP EXPORTS[4]	TOP IMPORTS[4]
USA	Japan	Electrical machinery & parts	Electrical machinery & parts
Japan	Republic of Korea	Road vehicles	Scientific equipment
Hong Kong SAR	USA	Telecommunications equipment	Mineral fuels crude petroleum
Republic of Korea	Germany	Office machines & data processing equipment	Metalliferous ores
Germany	Australia		

2026 GDP growth forecast[1]:
4.4%

Trade growth expectations for 2026[2]:
50%
of executives surveyed expect similar, 43% expect faster than last year

Policy uncertainty[2]:
42%
reported high or very high

Goods exports (2024)[3]:
$3,576.7
billion (1st globally)

Goods imports (2024)[3]:
$2,584.9
billion (2nd globally)

International Monetary Fund (IMF, 2026) [1]
DP World Global Trade Observatory Executive Survey (2025) [2]
World Trade Organization (WTO, 2024) [3]
UN Comtrade (2024) [4]

EXECUTIVE SUMMARY

Chinese respondents in the DP World Global Trade Observatory Executive Survey in late 2025 were positive about trade growth prospects, though below the global average: 43% expected trade growth to accelerate in 2026 and 50% expected it to remain similar to last year, compared with 54% and 40% globally. Just 42% reported high levels of policy uncertainty, compared with 53% globally.

At the same time, they were the most confident in their ability to respond to trade barriers, with 35% expecting changes in tariffs and non-tariff barriers to affect their business positively, and only 26% expecting a negative impact. This likely reflects China's successful pivot to more diversified export markets.

Top strategic supply chain changes for Chinese executives were supplier diversification (58%), near-shoring (38%) and friend-shoring (36%), reflecting a shift in supply chains towards regional and partner-country networks. Their policy priorities are trade facilitation (40%), free trade agreements (39%) and digitalisation support (38%).
While infrastructure investment is now a lower priority than elsewhere,customs clearance remains the key friction point. Strong digitalisation and readily available trade finance at reasonable terms (50% compared with 39% globally) provide further advantages for exporters in 2026.

Looking into 2026, Chinese executives see growth coming from expanding their reach rather than defending the current position: digitalisation (44%), access to new markets (43%), and new value chains (34%) are their leading growth drivers, reflecting a resilience strategy that has shifted from absorbing disruption to outpacing it.

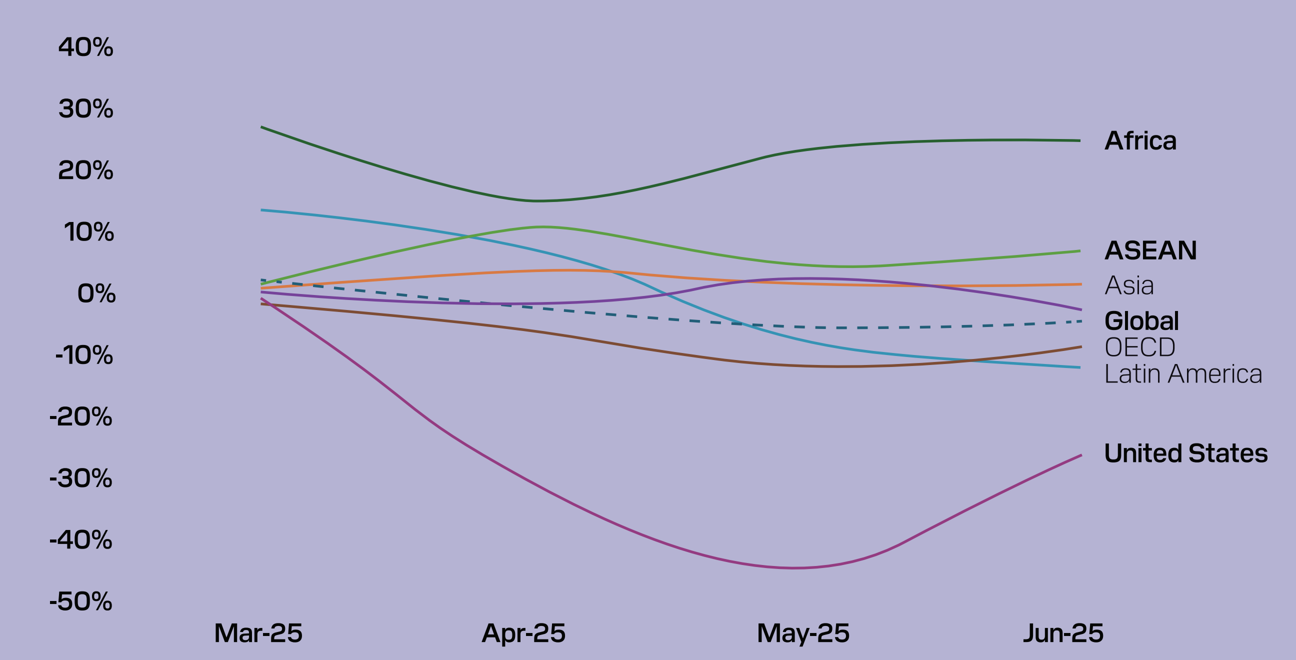
REBUILDING THROUGH DISRUPTION

China's executives responding to the DP World Global Trade Observatory Executive Survey had a more measured outlook than their global peers: 43% expected trade growth to accelerate, while 50% thought it would be similar compared with, respectively, 54% and 40% globally.

The survey, conducted in late 2025, also found that 53% of executives globally described policy uncertainty as "high" or "very high". The figure for Chinese executives was only 42%, indicating relative stability. The relative moderation in Chinese executives' survey responses regarding trade growth for 2026 reflects a trade base that was already operating at record scale in 2025 and a strategic pivot that has been underway for a number of years. While the tariff shocks of 2025 tested trade confidence, Chinese businesses absorbed them by accepting some profit margin compression, re-organising supply chains, and pivoting to new markets: the sharp contraction in US-bound shipments in mid-2025 was largely offset by accelerating growth to the Association of Southeast Asian Nations (ASEAN) countries and Africa[1] – part of a broader shift towards South-South trade corridors that now defines China's export strategy. Direct exports to the US now account for less than 3% of China's GDP, down from over 6% a decade ago[2]. Recent disruptions in the Strait of Hormuz[3] have added to uncertainty, notably with respect to energy supply chains, as over 30% of China's oil and liquefied natural gas (LNG) imports transit through this corridor[4].

CHINA'S TARIFF STRATEGY INCLUDED A STRATEGIC PIVOT TO SOUTH-SOUTH TRADE

China's export growth by destination after reciprocal tariffs (YoY).

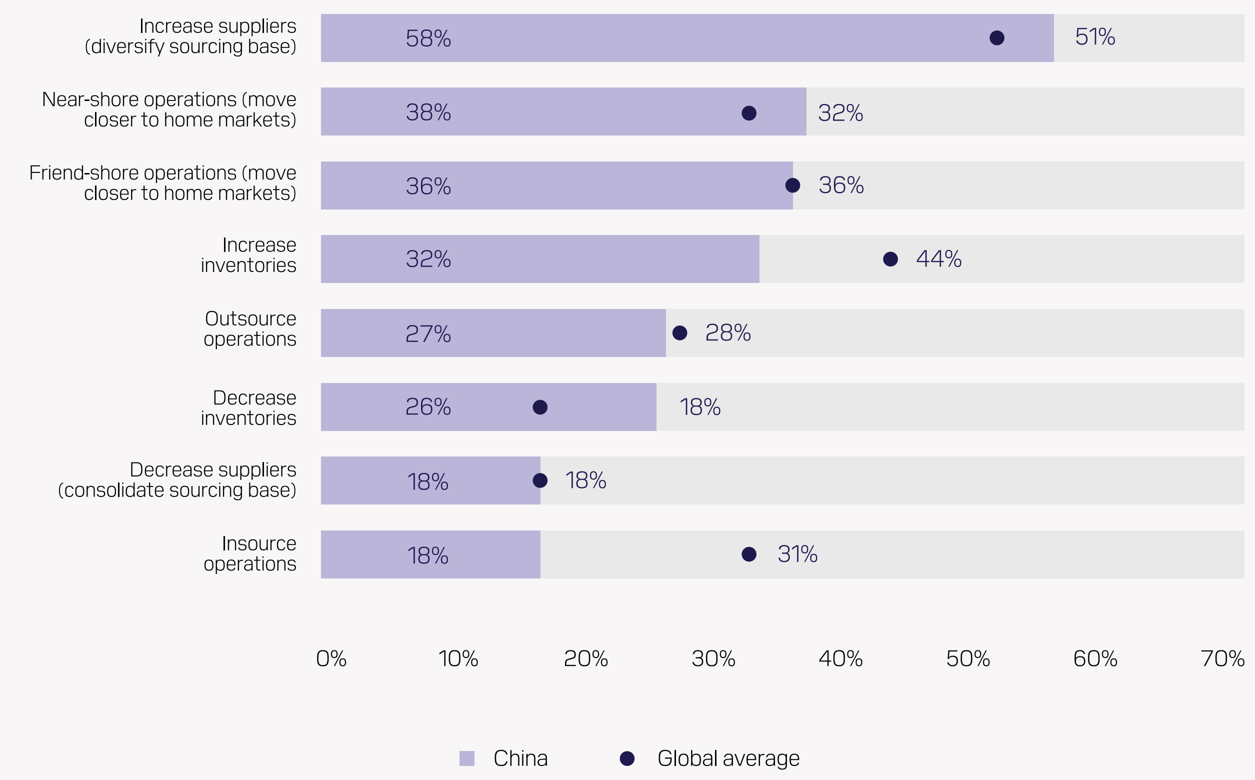


Source: UNCTAD/China General Administration of Customs[8]

The Chinese executives surveyed are evenly split on their expectations around trade barriers: 43% expect them to rise in 2026 and 43% expect them to stay the same, with only 13% anticipating a decline. More tellingly, 35% of executives expect changes in trade barriers to affect their business positively while only 26% expect a negative impact. No other country in the survey sample has a similarly positive perception. For Chinese businesses, tariffs have redirected trade rather than reduced it – and the redirection, it turns out, has largely worked in their favour.

Trade barriers extend beyond tariffs. In the first seven months of 2025, the world recorded 1,731 new non-tariff barriers – including sustainability requirements, sanitary standards, and documentation burdens – up from just 400 in 2018[5]. For Chinese exporters, these represent a growing compliance layer, particularly impacting smaller firms that are less well equipped to absorb the costs.

Increasing suppliers to diversify the sourcing base is the top strategic priority, mentioned by 58% of survey respondents in China. Near-shoring follows at 38%, six points above the global average, while friend-shoring (36%) tracks the global average closely. Behind these shifts, the primary drivers are the pursuit of greater agility and resilience (23%) and new technology enabling operational change (21%). This reflects a broader pattern in which resilience has shifted from a reactive hedge to a proactive growth strategy, reducing exposure to supply-side shocks through supplier diversification, inventory adjustment, and market rerouting.



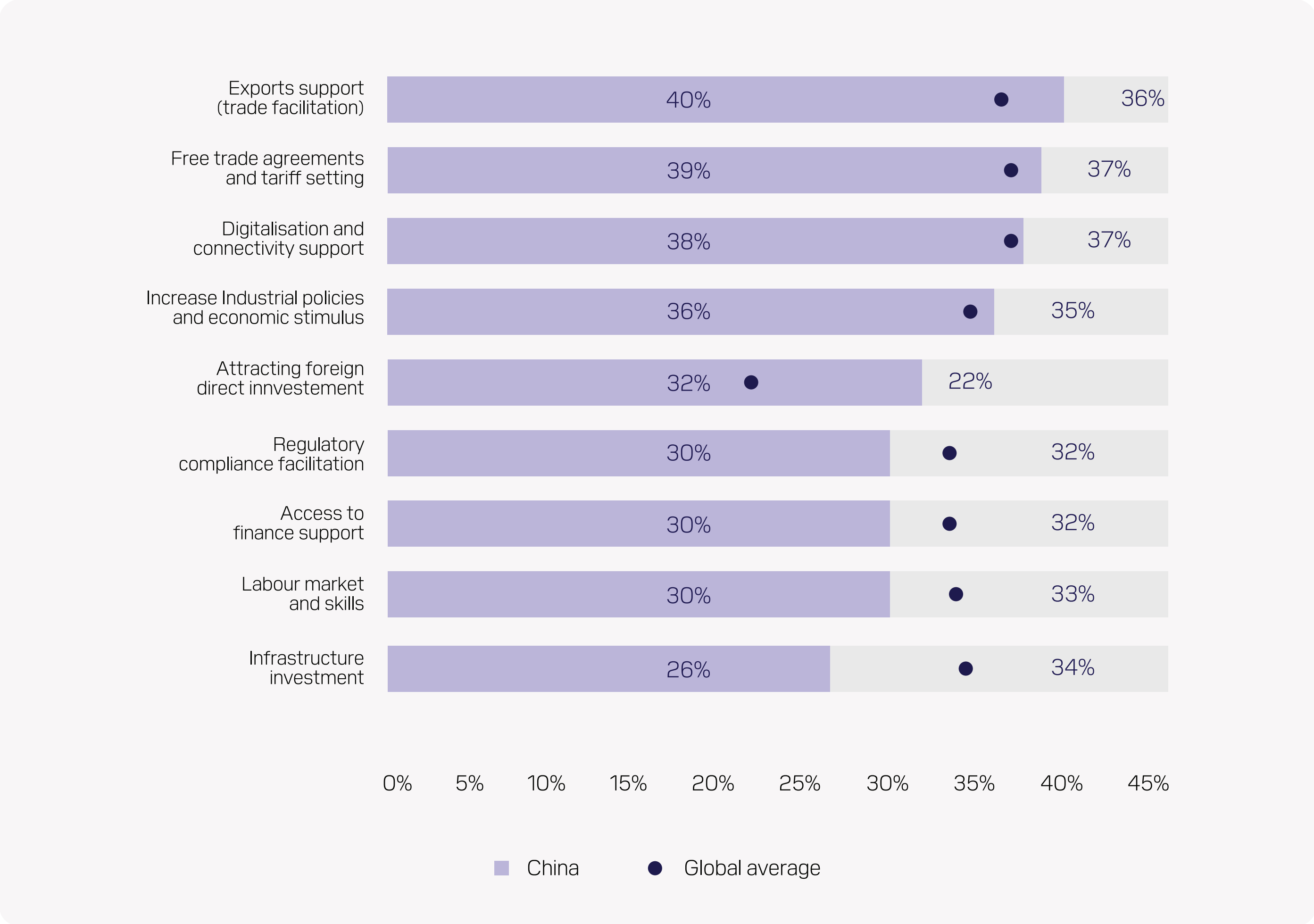
Taken together, these three strategies point to a supply base being actively restructured around regional and partner-country networks – a picture of expansion and redistribution rather than consolidation. That regional logic is proving timely: while the shift towards ASEAN and partner-country sourcing began as a tariff response, it also provides a degree of insulation against trade shocks of the kind currently unfolding in the Gulf. Like their global peers, Chinese companies are not waiting for the external environment to stabilise before expanding; they are building the capabilities to grow through disruption. China's outward foreign direct investment (FDI) reached $192.2 billion in 2024, up 8.4% year on year, with investment in ASEAN growing 36.8% to $34.4 billion[6].

TRADE FACILITATION AND MARKET ACCESS

Chinese executives are clear about what would unlock trade growth. Trade facilitation leads their policy agenda, with 40% citing it as a priority – a direct response to customs clearance being the country's most persistent operational bottleneck. Free trade agreements (39%) and digitalisation support (38%) come next. For China, these priorities are particularly intertwined: customs modernisation will underpin the competitiveness of its vast export base, digital infrastructure is central to its broader industrial policy, and FTAs – from the Regional Comprehensive Economic Partnership (RCEP) to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) – are a stated priority to expand beyond traditional partners, with BRICS+ engagement adding a further dimension.

China's recent FTAs reflect this logic: they increasingly embed digitalisation and e-commerce provisions, extending the policy agenda into the architecture of trade itself. China's FTA network is one of the most extensive among major economies, with over 20 agreements covering partners across Asia, the Middle East, Latin America, and Oceania. The focus has shifted progressively towards ASEAN, the Gulf Cooperation Council (GCC) countries, and emerging South-South corridors. This mirrors the supply chain diversification strategies Chinese executives report pursuing – reducing exposure to any single market while deepening ties with faster-growing partners, particularly in basic materials, energy, and clean technology inputs, where import expansion is an explicit strategic priority.[7]

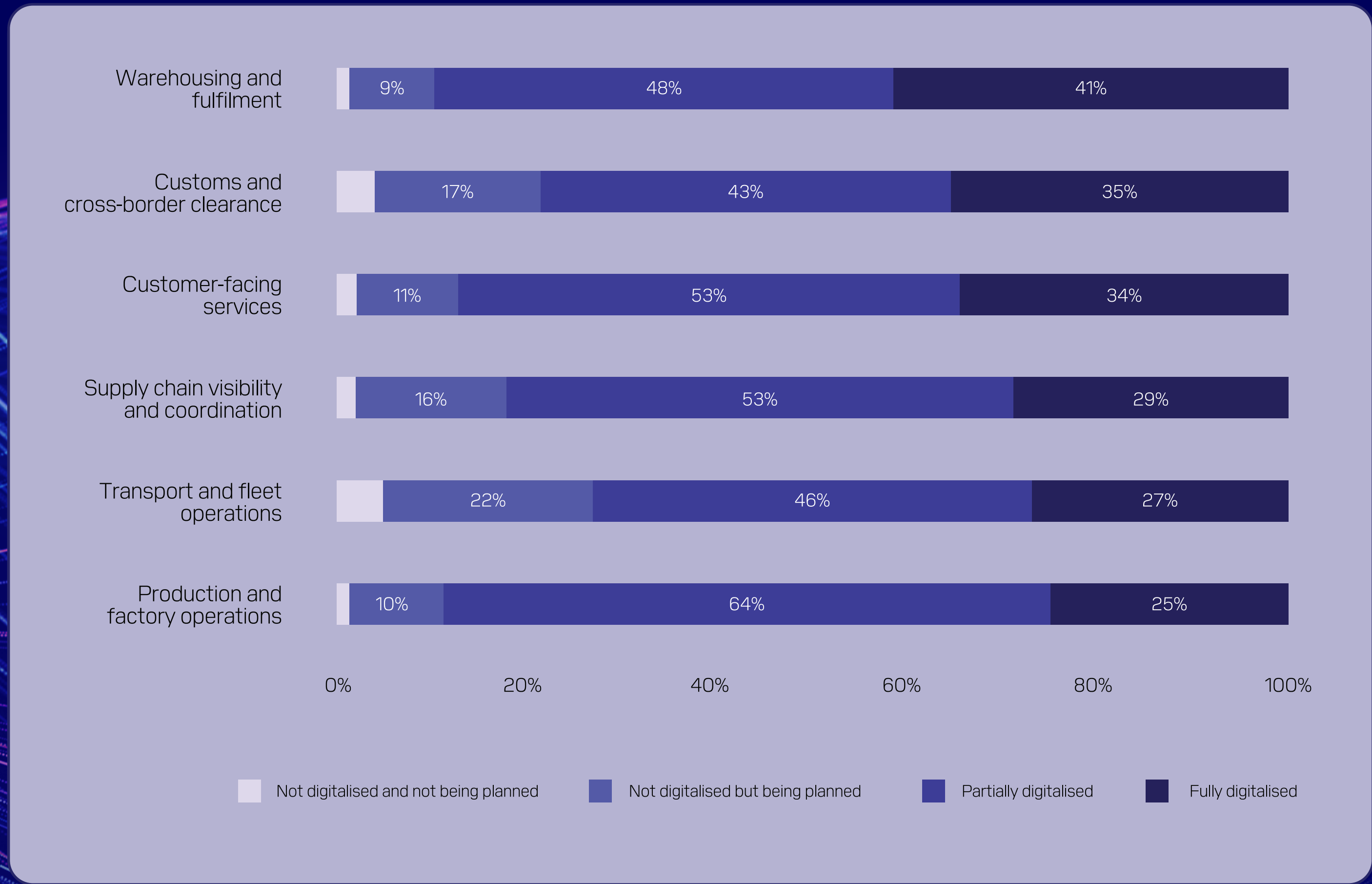
The survey reveals two stark contrasts in policy priorities between Chinese executives and their global peers. Chinese executives place greater emphasis on attracting FDI (35% vs. 22% globally), reflecting confidence in China's continued appeal as a manufacturing and logistics base. Infrastructure investment is below the global average (26% vs. 34%), driven by a comparatively mature domestic connectivity: logistics costs decreased from 18% of GDP in 2012 to 14.4% in 2023, while rail-water intermodal volumes grew 15% year on year to 11.5 million TEUs in 2024[8]. The investment gap is concentrated at the border interface, where customs processing infrastructure remains a distinct pressure point.



DIGITALISATION EFFORTS SUPPORTING TRADE OPERATIONS

Among logistics executives with China as a key market, 46% cite customs clearance as a cause of operational delay, below the global average of 60%. Such a gap reflects the impact of China's sustained investment in modernisation, chiefly including its Smart Customs programme rolled out across 269 ports by 2024, which deploys artificial intelligence (AI) based targeting and automated inspection to improve clearance speed. Where frictions persist, they cluster around digitalisation gaps (37%), documentation requirements (36%), warehousing capacity (35%), and port and terminal congestion (33%); these point to the remaining integration challenges between agencies and across the logistics chain rather than to border clearance itself.

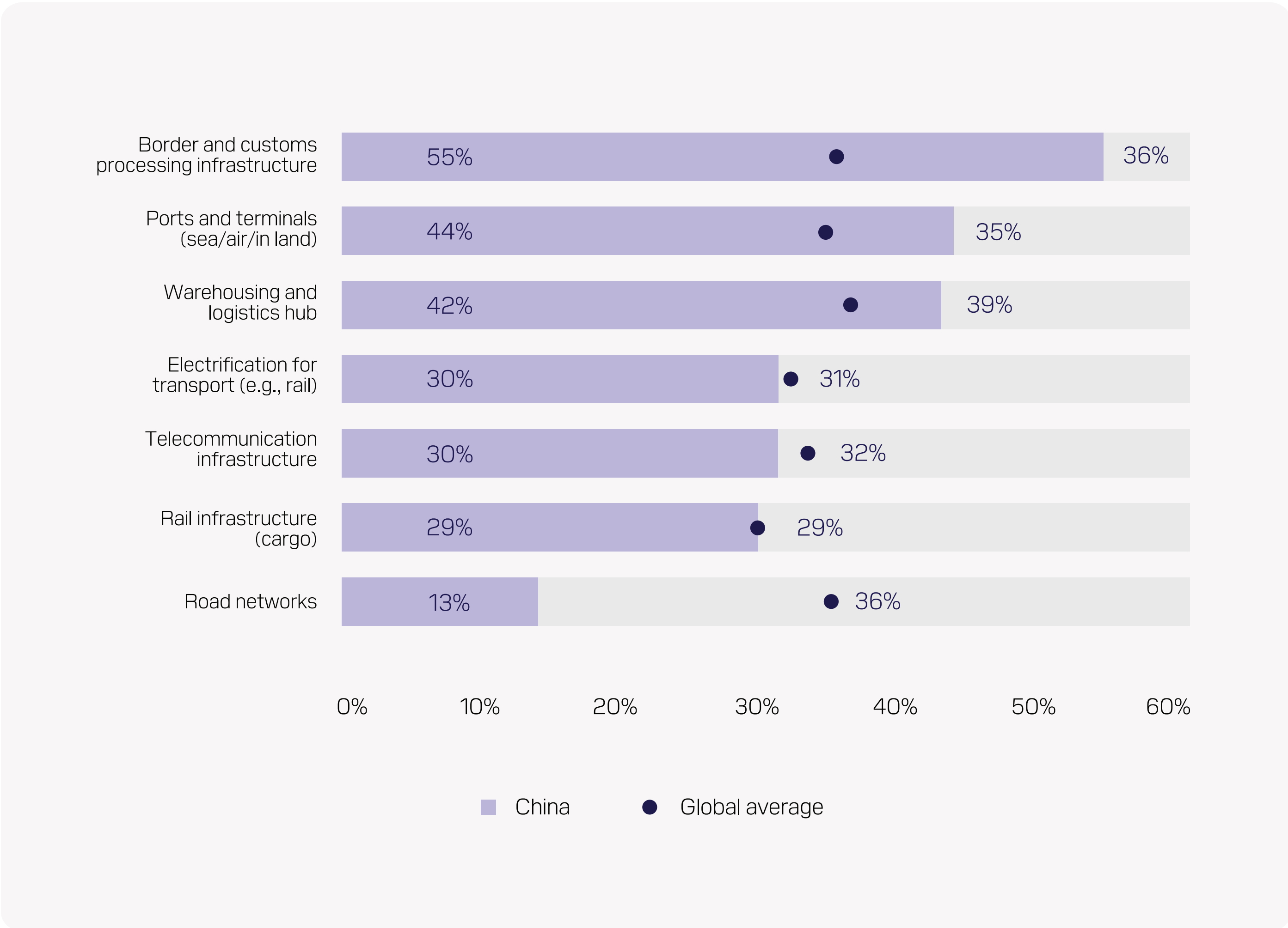
Digitalisation is broadly advanced in China, as perceived in several operational areas within the survey. Recently, China ranked 12th globally in the 2025 IMD World Digital Competitiveness Ranking – its highest position to date – displaying sustained progress in technology adoption and digital infrastructure.[9] Warehousing and fulfilment is the most fully digitalised area (41%, compared with 30% globally). Customs and cross-border clearance (35%) is also well above the global average (29%). Customer-facing services (34%) and supply chain visibility (29%) are less fully digitalised, though still above global averages when rates of partial digitalisation are included. A small gap exists between China and the global average in transport and fleet operations (27% fully digitalised vs. 28% globally), where a highly advanced top tier of port and logistics operators coexists with a larger traditional road transport sector – an integration gap that represents the clearest remaining opportunity for digitalisation investment.



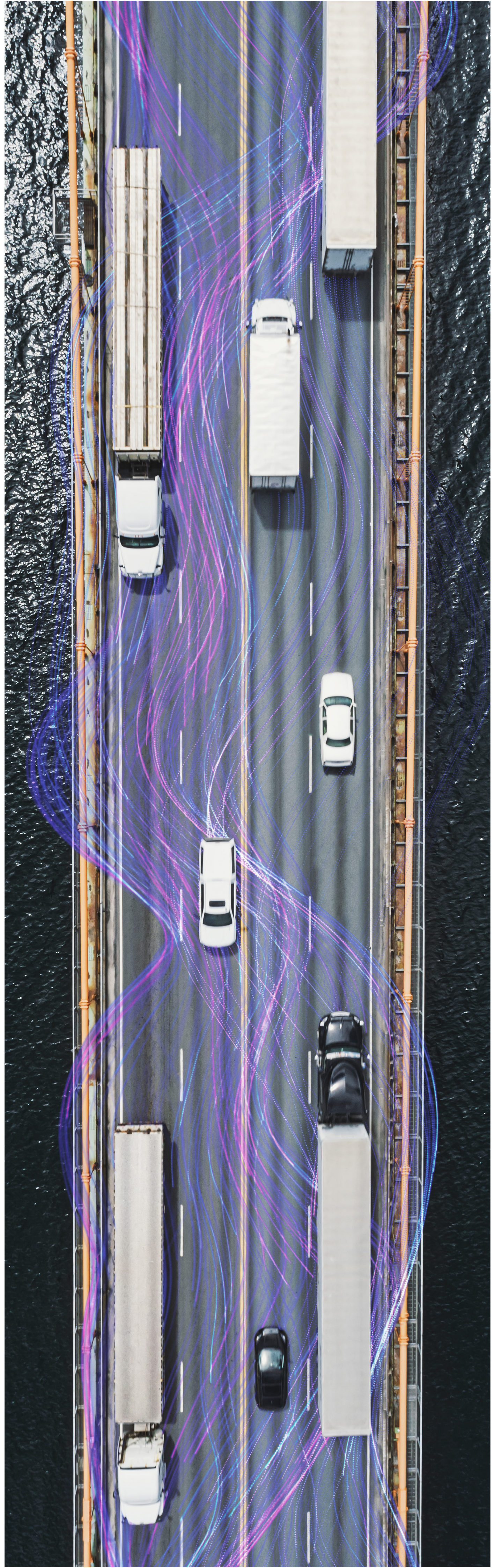
Examples of port investments include those at DP World's Qingdao terminal, which combines automated cranes and guided vehicles with integrated digital platforms. Since completing its third phase in late 2023, the terminal has recorded a 6% gain in operational efficiency and a 15% increase in container throughput.[10] Moreover, at DP World's Yantai terminal, full-process automation of bulk cargo handling has delivered efficiency gains of over 20% against conventional methods.[11] China now leads the world in automated terminal development, with 52 automated container and bulk cargo facilities built, and throughput growing steadily year on year[12].

INVESTMENT, INFRASTRUCTURE, AND TRADE FINANCE

Logistics executives' infrastructure investment priorities reinforce the perception that China's border interface is its central constraint on trade performance. Despite ongoing investment in smart customs capacity, among logistics executives with China as a key market, border and customs processing infrastructure is seen as the top need for investment, identified by 55% of respondents, well ahead of the global benchmark of 36%. Ports and terminals (44%) and warehousing and logistics hubs (42%) are also above the global average. By contrast, just 13% see road networks as a priority investment need, well below the global average of 36%. This reflects China's comparatively mature domestic connectivity.



China's trade finance environment is a relative strength: 50% of Chinese executives report that trade finance is readily available at reasonable terms, above the 39% global average. Such competitive advantage supports the growth agenda that Chinese executives are already pursuing.



CONCLUSION

China entered 2026 with calibrated confidence. Its trade growth expectations, while moderate, are stable, supported by a deliberate pivot towards South-South corridors and a relatively limited direct exposure to US tariffs compared with many peers.

While trade disruption has reinforced the case for continued supply chain diversification, resilience is also being built actively. Supplier expansion and near-shoring lead the supply chain restructuring agenda, while trade facilitation and FTAs top the policy agenda. Digitalisation is broadly advanced, with China's port infrastructure ranking among the most automated. Access to trade finance remains a comparative strength for Chinese businesses.

The single most important action for unlocking China's trade potential in 2026 is investment in border and customs processing infrastructure. Addressing this friction point – which sits at the intersection of every strategic priority executives have identified – would accelerate diversification, reduce costs, and maximise the country's expanding network of trade corridors.

Discover more data and insights from the DP World Global Trade Observatory:

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