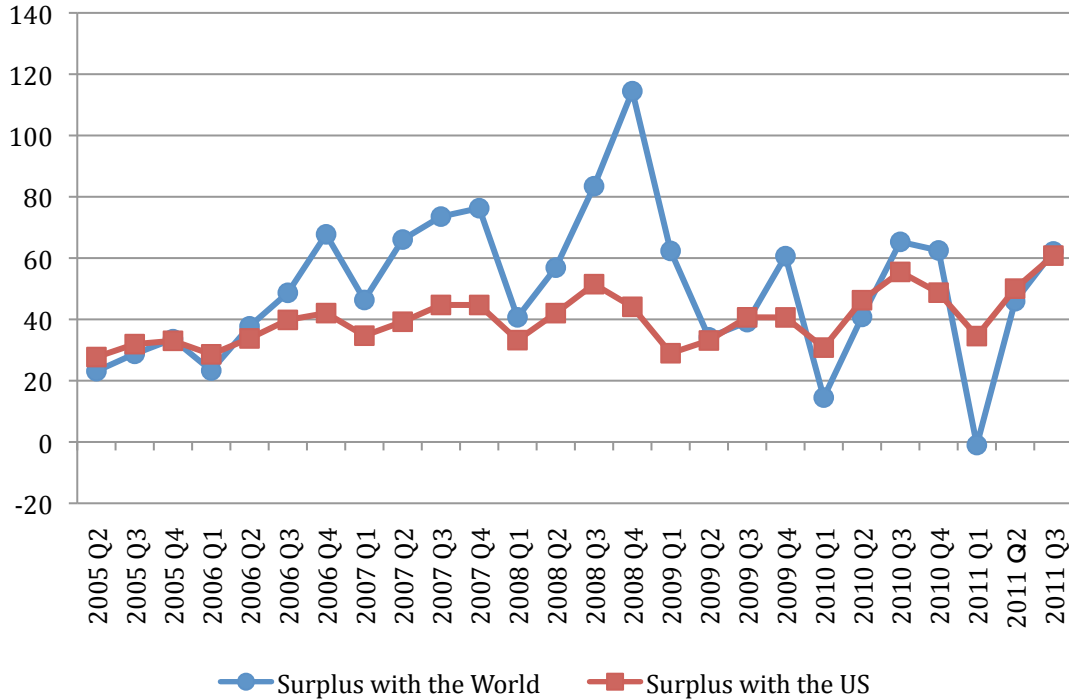


## China Trade Balance

(Billions of USD)  
2005 Q2 - 2011 Q3



Source: China Customs

- Contrary to expectations, China's trade surplus with the US and the world has increased markedly since the RMB was first revalued in July 2005.
- Through the first nine months of 2011, China's surplus with the US and with the world as a whole generally has been two to three times what it was prior to the revaluation. The surplus with the U.S. has consistently remained above the level just prior to the 2005 revaluation, even during the Great Recession of 2008-9. It is noteworthy that each year the quarterly peak is higher than the previous cycle.
- China's balance with the world as a whole has remained above the mid-2005 level for 23 of 25 quarters.
- It must be noted that after the repeg of the RMB to the dollar in mid-2008, China's overall trade surplus soared to a level more than 5 times that of early 2005.
- The United States has run a cumulative current account deficit in excess of \$2 trillion with China in the last decade according to the U.S. Bureau of Economic Analysis.