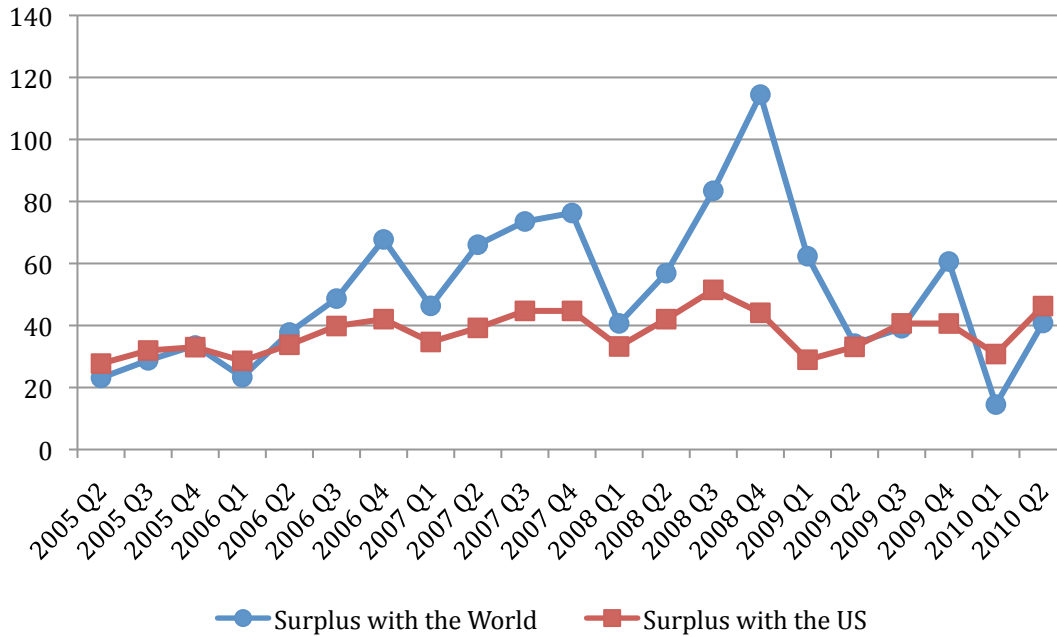


China Trade Balance (Billions of USD)



Source: China Customs

- China's trade surplus with the US and the world has increased markedly since the RMB was revalued in July 2005.
- Through the second quarter of 2010, China's surplus with the US and with the world as a whole has been double what it was in prior to the revaluation and sometimes much higher.
- 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 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 \$1.8 trillion with China in the last decade according to the U.S. Bureau of Economic Analysis.

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