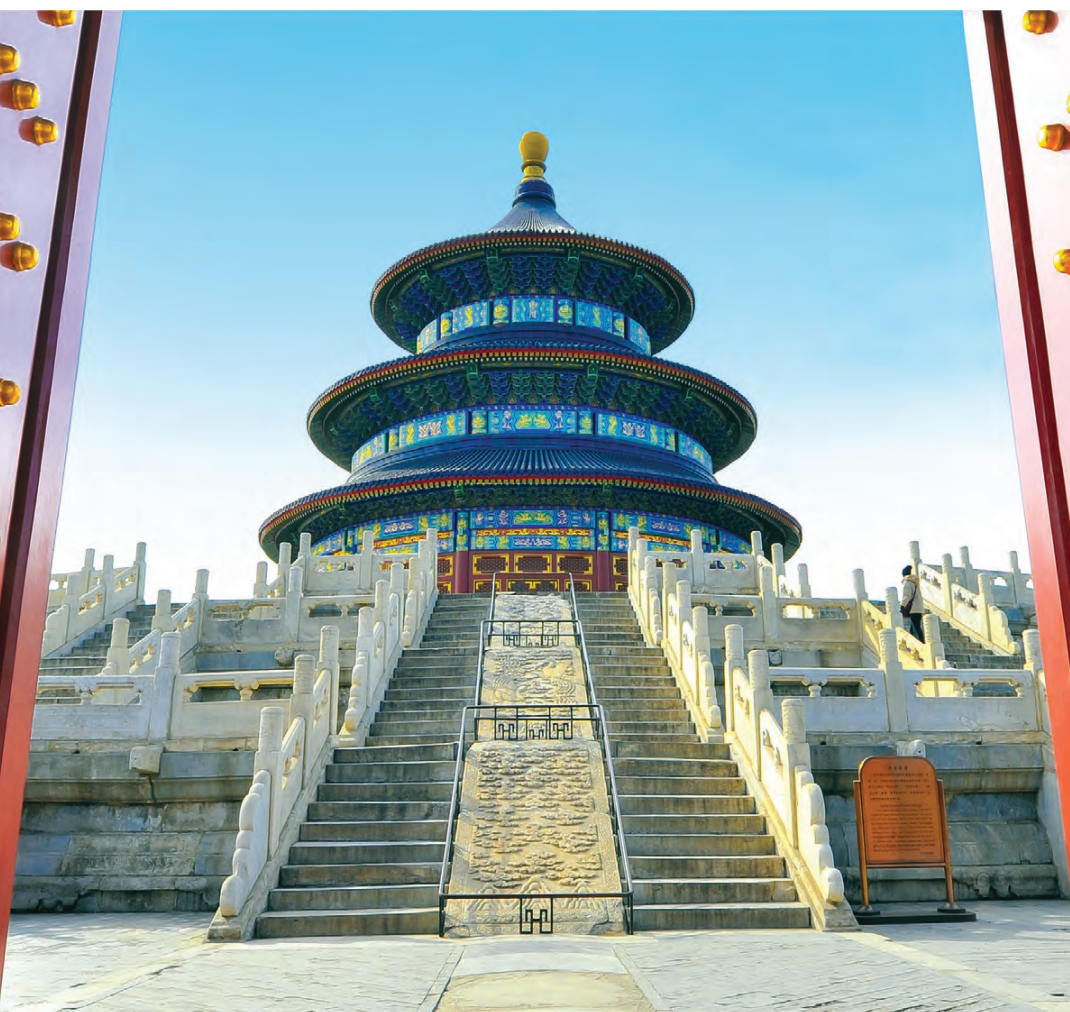




belgian
foreign trade agency



Belgium's trade relations with

CHINA

This publication is also available on the website of the Belgian Foreign Trade Agency: www.abh-ace.be

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1 IMPORTANCE OF BELGIUM AND THE OTHER EU COUNTRIES IN TRADE WITH CHINA

1.1 EXPORTS

Total exports of goods from the European Union (EU-27) to China were about €230.3 billion in 2022.

Belgium accounted for a share of 3.4%, making it the 7th largest EU exporter of goods to China. Germany took first place in EU exports of goods to China with a 46.4% share and an amount of €106.9 billion. France and the Netherlands completed the top three with shares of 10.3% and 8.1%, respectively.

Whereas European exports (EU-27) to China grew by 3.0% (€+6.8 billion) in 2022, Belgian exports were down by 2.8% (€-221.3 million). As a result, our country's share in EU exports of goods to China has decreased in 2022.

German exports of goods to China increased by 2.2% (€+2.3 billion) in 2022 because of the higher value for the 'vehicles with only a spark-ignition internal combustion piston engine of a cylinder capacity exceeding 1,500 cm³, but not exceeding 3,000 cm³', 'vehicles with only an electric motor for propulsion' and 'parts of airplanes, helicopters and unmanned aircraft' subsections. Exports of goods from France to China fell 1.4% (€-341.6 million) when compared to 2021, while those of the Netherlands rose 16.9% (€+2.7 billion) due to the higher value for 'food preparations suitable for infants or young children, put up for retail sale' and 'vaccines for human medicine against SARS-related coronaviruses', among others.

TABLE 1: EVOLUTION OF EXPORTS TO CHINA

In million €	2021	2022	Variation (in %)	Share (in %)
1 Germany	104,562.5	106,905.9	2.2	46.4
2 France	24,051.4	23,709.8	-1.4	10.3
3 Netherlands	15,964.2	18,668.2	16.9	8.1
...				
7 Belgium	7,991.0	7,769.7	-2.8	3.4
...				
Total EU-27	223,480.6	230,284.4	3.0	100.0

1.2 IMPORTS

Total EU-27 imports of goods from China amounted to €626.4 billion in 2022.

Belgium was the 7th largest EU importer of goods from China with a share of 5.6%. The Netherlands took first place in EU imports of goods from China with a share of 22.2%, corresponding to an amount of €138.9 billion. Germany and Italy completed the top three of largest EU importers from China with shares of 20.8% and 9.2%, respectively.

While European imports (EU-27) from China were up 32.2% (€+152.6 billion) in 2022, those of Belgium grew by 42.6% (€+10.6 billion). Since the growth rate of Belgian

imports from China was higher than that of the EU as a whole, our country's share of EU imports of goods from China increased in 2022.

Dutch imports of goods originating from China recorded a rise of 24.7% (€+27.5 billion) in 2022 due to a higher value for 'smartphones', 'photovoltaic cells assembled in modules or made up into panels' and 'static converters'. The sub-sections 'lactams', 'lithium-ion accumulators' and 'smartphones' were partly responsible for the 32.5% (€+31.9 billion) increase in German imports of goods from China, while Italy's were up 49.1% (€+18.9 billion).

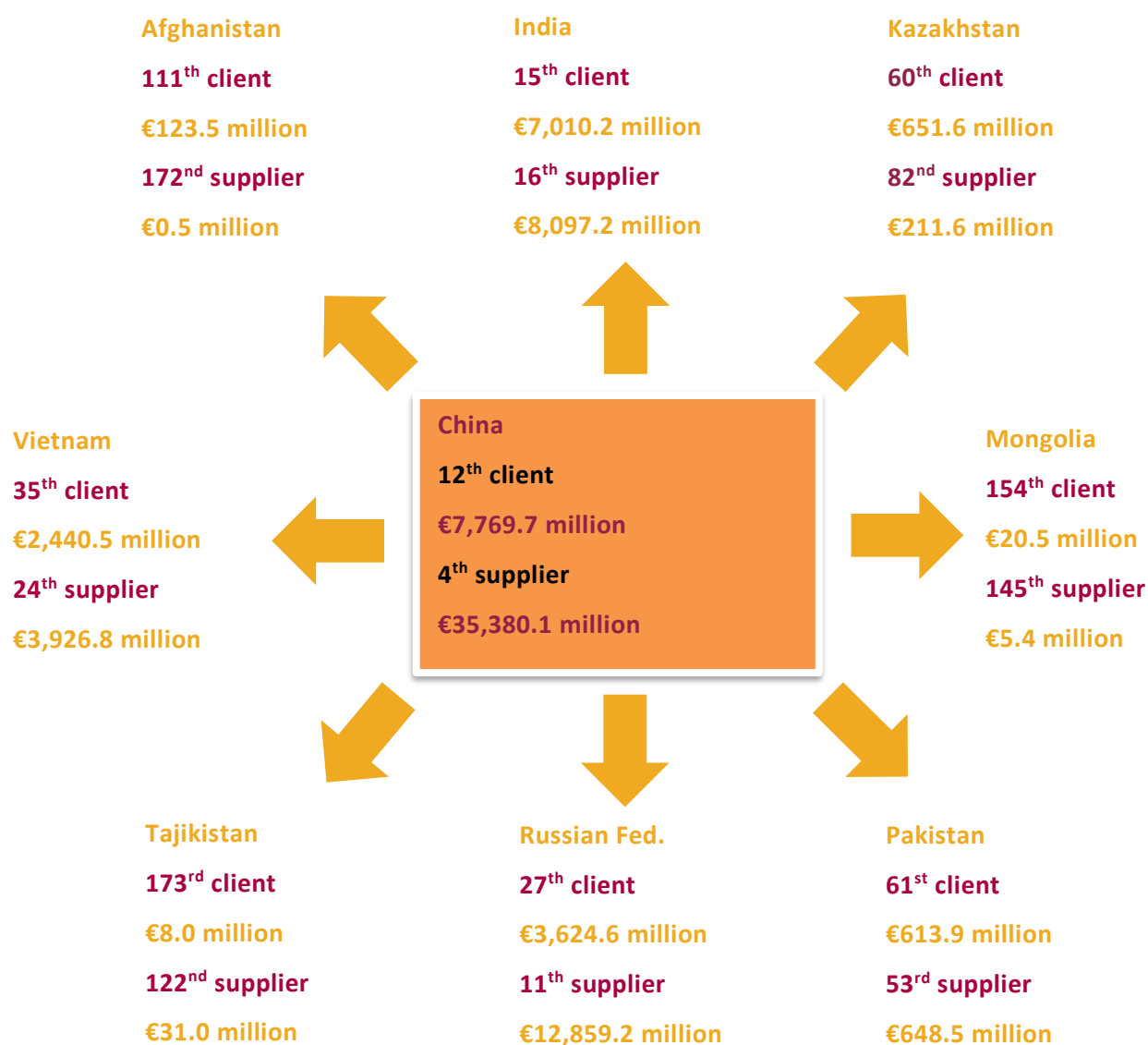
TABLE 2: EVOLUTION OF IMPORTS FROM CHINA

In million €	2021	2022	Variation (in %)	Share (in %)
1 Netherlands	111,414.1	138,921.6	24.7	22.2
2 Germany	98,232.6	130,129.9	32.5	20.8
3 Italy	38,577.1	57,506.4	49.1	9.2
...				
7 Belgium	24,805.9	35,380.1	42.6	5.6
...				
Total EU-27	473,811.4	626,434.2	32.2	100.0

2 IMPORTANCE OF CHINA AND ITS NEIGHBOURING COUNTRIES FOR BELGIUM'S FOREIGN TRADE (2022)

CLIENT → BELGIAN EXPORTS

SUPPLIER → BELGIAN IMPORTS



INTEREST IN CHINA

The database of the Belgian Foreign Trade Agency, which registers around 25,000 companies, keeps records on 1,944 Belgian companies that export to China and another 2,905 companies that show an interest in this market.

3 BILATERAL TRADE RELATIONS

3.1 TRADE IN GOODS

In 2022, China ranked **12th** among Belgium's main clients, before Nigeria, but after Luxembourg.

Total Belgian **exports** of goods to China nearly reached €7.8 billion in 2022, which is **2.8%** (€-221.3 million) less than the previous year. In 2022, exports to China accounted for **1.3%** of Belgium's total goods exports.

China was Belgium's **4th** largest supplier of goods in 2022, ranking after France, but before the United States.

Total Belgian **imports** of goods from China were up 42.6% (€+10.6 billion) to reach nearly €35.4 billion in 2022. China accounted for **6.0%** of total Belgian goods imports.

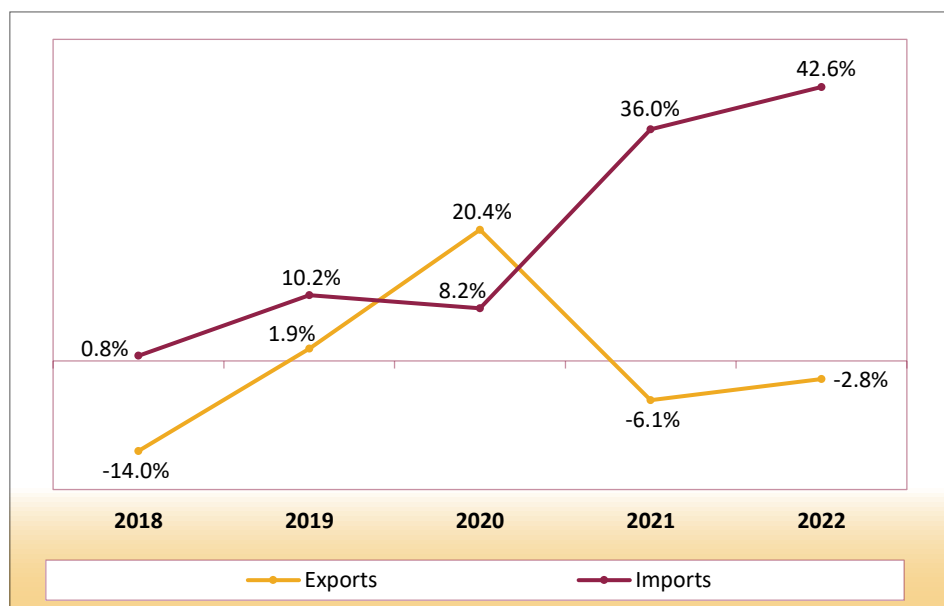
TABLE 3: EVOLUTION OF BELGIUM'S TRADE IN GOODS WITH CHINA

In million €	2018	2019	2020	2021	2022
Exports	6,935.8	7,069.3	8,514.5	7,991.0	7,769.7
Imports	15,302.7	16,860.1	18,240.9	24,805.9	35,380.1
Trade balance	-8,366.9	-9,790.8	-9,726.4	-16,814.9	-27,610.4
Exports: variation in %	-14.0	1.9	20.4	-6.1	-2.8
Imports: variation in %	0.8	10.2	8.2	36.0	42.6

Belgium's **merchandise trade deficit** with China, which was nearly €8.4 billion in 2018, widened to almost €9.8 billion a year later as the value of imports increased more than that of exports. The deficit fell by €64.4 million to about €9.7 billion in 2020 as the value of exports increased slightly more than

imports. In each of the past two years, exports to China fell while imports continued to grow. As a result, Belgium's trade deficit for goods with China widened successively to €16.8 billion and €27.6 billion in 2021 and 2022.

FIGURE 1: VARIATION OF EXPORTS AND IMPORTS (IN %)



Chemical products traditionally account for an important share of total Belgian **exports** of goods to China. An increase or decrease in exports of this group of products therefore also has a significant impact on the evolution of total exports to this country. Total Belgian exports of goods to China decreased by 14.0% in 2018 due to a lower value for chemical products, among others. Then exports of this group of products recovered in 2019 and 2020, resulting in total exports growing by 1.9% and 20.4% in these two years. The lower value for chemical products was also the main reason for the 6.1% drop in total exports in 2021, but although chemical product exports recovered in 2022 compared to the previous year, total Belgian exports of goods to China fell 2.8% in 2022.

This decline can be attributed to lower exports of transport equipment and precious metals and stones, among other products.

Total Belgian **imports** of goods from China have increased in each of the past five years. Import growth was limited to 0.8% in 2018, after which the value of imports increased 10.2% in 2019 and 8.2% in 2020 due to higher values for machinery and equipment and transport equipment, among others. Imports of machinery and equipment, transport equipment and chemical products, the three largest sections, then all increased in 2021 and 2022. As a result, total Belgian imports of goods from China grew 36.0% and 42.6%, respectively, over the past two years.

3.1.1 EXPORTS

In 2022, **chemical products** took the top position in total Belgian **exports** of goods to China. With a value of a little more than €2.7 billion, this group of products represented a share of 35.1% of total exports. This section was mainly composed of ‘medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses’ and ‘vaccines for human medicine against SARS-related coronaviruses’.

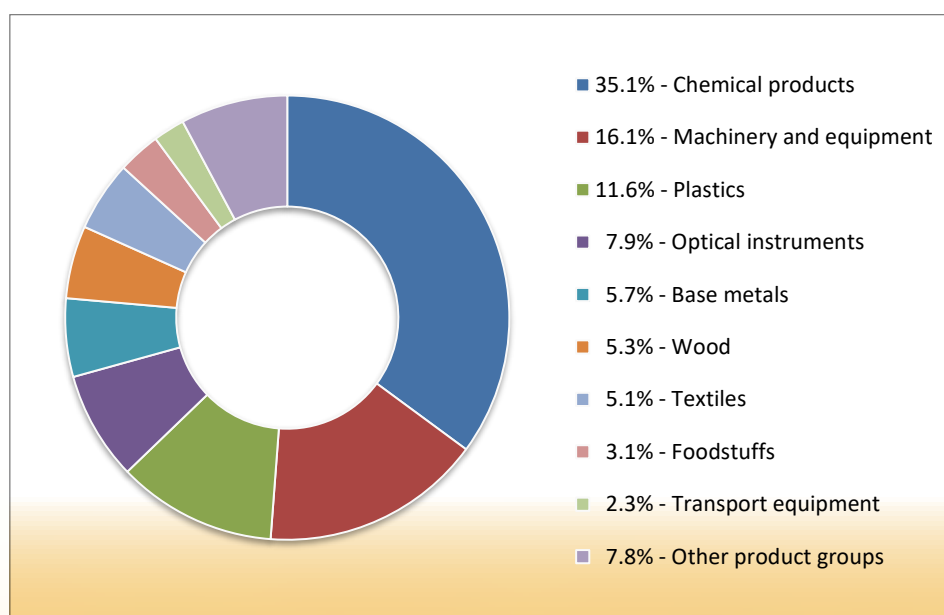
Exports of **Machinery and equipment** (main subsections: ‘processors and controllers, whether or not combined with memories, converters, logic circuits, amplifiers, clock and timing circuits, or other circuits’ and ‘boards, panels, consoles, desks, cabinets and other bases for electric control or the distribution of electricity for a voltage not exceeding 1,000 V’) reached nearly €1.3 billion, representing a 16.1% share.

Plastics (main subsections: ‘polymers of ethylene’, ‘polypropylene’ and ‘polyamides in primary forms’) completed the top three of exports to China with a share of 11.6% and exports totaling €903.4 million.

There were four other product groups that also accounted for a share of more than 5.0% of Belgian exports of goods to China. These sections were:

- **optical, precision and medical instruments:** €614.3 million, corresponding to a share of 7.9%;
- **base metals:** €445.0 million, corresponding to a share of 5.7%;
- **wood:** €412.1 million, corresponding to a share of 5.3% and
- **textiles:** €393.1 million, corresponding to a share of 5.1%.

FIGURE 2: BREAKDOWN OF BELGIAN EXPORTS TO CHINA BY PRINCIPAL COMMODITIES (IN %) — 2022



Chemical products, the largest section in Belgian exports of goods to China, recorded growth of 7.3% (€+185.8 million), attributable, among other things, to increased exports of ‘immunological products’ and ‘carbon’. While the value of this section grew, the quantity imported went in the opposite direction due to the subsection ‘mineral or chemical fertilisers containing the three fertilising elements nitrogen, phosphorus and potassium’. However, this had a very limited impact on the development of the value of chemical products.

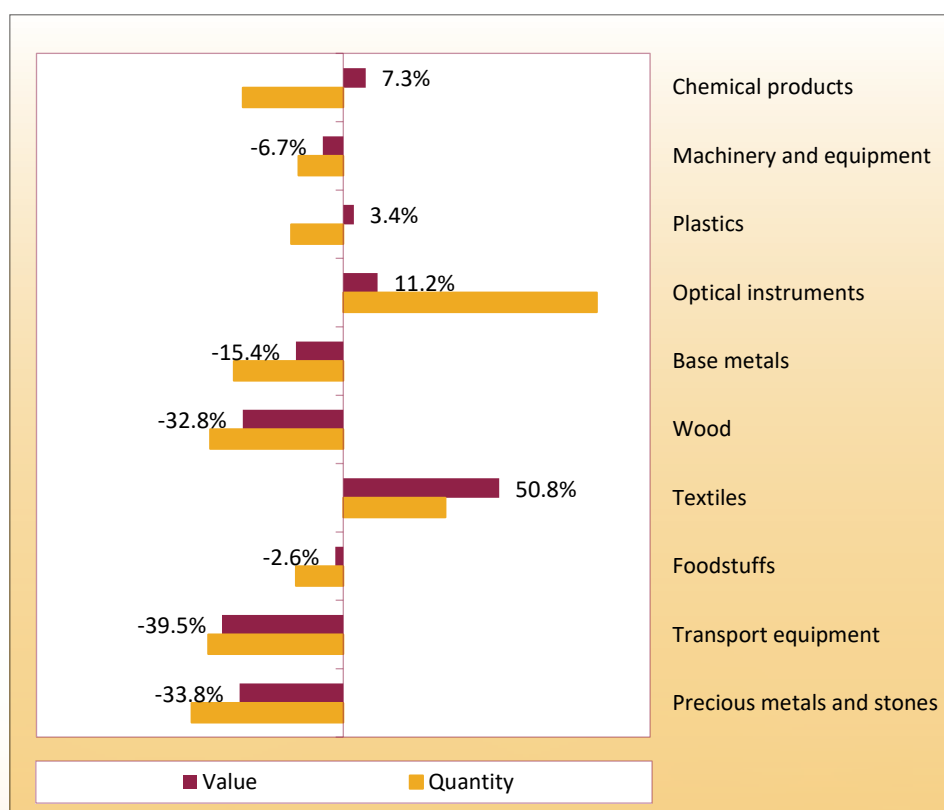
While exports of **plastics** and **optical, precision and medical instruments** grew by 3.4% (€+29.6 million) and 11.2% (€+61.8 million), respectively, exports of **textiles** were up 50.8

(€+132.5 million) thanks to the ‘flax’ subsection.

Despite the rise in exports of the previous product groups, the value of total Belgian exports of goods to China fell by 2.8% in 2022. This was due in part to lower exports of **transport equipment**. The value of this group of products decreased by 39.5% (€-118.3 million) due to the subsection ‘road tractors for semi-trailers’.

The other product groups in the top ten whose exports declined, showed negative growth rates ranging from 2.6% (**foodstuffs**) to 33.8% (**precious stones and metals**). The €81.6 million drop in value for the latter product group can be largely attributed to lower exports of ‘diamonds’.

FIGURE 3: VARIATION OF EXPORTS TO CHINA BY PRINCIPAL COMMODITIES (IN VALUE AND QUANTITY) — 2022/2021



3.1.2 IMPORTS

Machinery and equipment took first place in total Belgian imports of goods from China in 2022. This group of products, composed primarily of 'lithium-ion accumulators', 'smartphones' and 'static converters', represented a value of nearly €10.7 billion, representing a share of 30.2%.

Imports of **transport equipment** (main subsections: 'vehicles with only an electric motor for propulsion' and 'vehicles with both a spark-ignition internal combustion piston engine and an electric motor as motors for propulsion') amounted to almost €6.7 billion, which corresponds to a share of 18.8%.

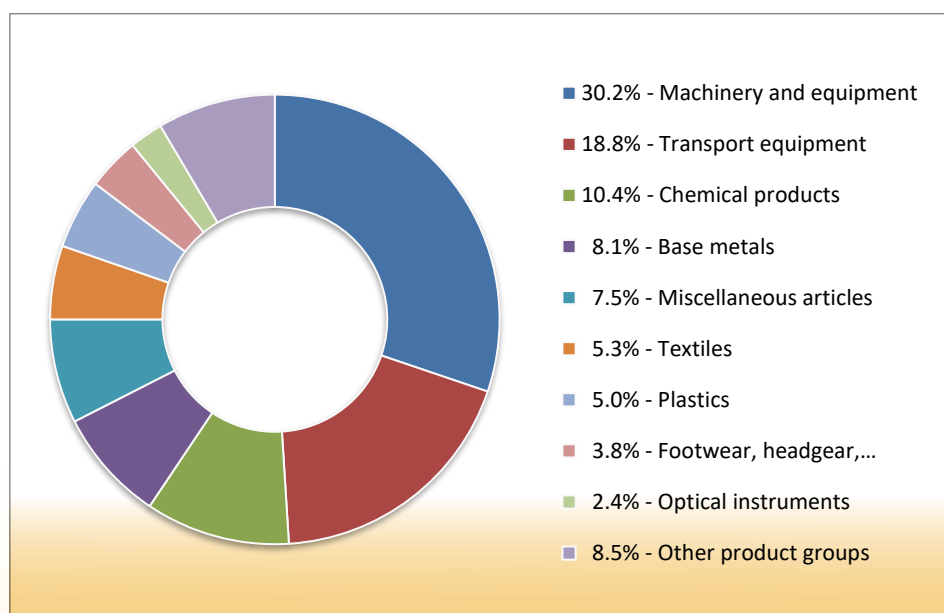
Chemical products, composed primarily of 'biodiesel and mixtures thereof', 'prepared binders for foundry moulds or cores' and

'medicaments consisting of mixed or unmixed products for therapeutic or prophylactic uses', completed the top three of Belgian imports of goods from China, amounting to roughly €3.7 billion or a share of 10.4%.

Four other product groups also accounted for a share of 5.0% or more of Belgian imports of goods from China. These sections were:

- **base metals:** €2.9 billion, corresponding to a share of 8.1%;
- **miscellaneous manufactured articles:** €2.6 billion, corresponding to a share of 7.5%;
- **textiles:** €1.9 billion, corresponding to a share of 5.3% and
- **plastics:** €1.8 billion, corresponding to a share of 5.0%.

FIGURE 4: BREAKDOWN OF BELGIAN IMPORTS FROM CHINA BY PRINCIPAL COMMODITIES (IN %) — 2022



Machinery and equipment, the largest section of Belgian imports of goods from China, recorded growth of 35.4% (€+2.8 billion) due mainly to increased imports of ‘lithium-ion accumulators’, ‘smartphones’ and ‘photovoltaic cells assembled in modules or made up into panels’.

However, the largest contribution to the rise in imports came from **transport equipment**. The value of this group of products increased by nearly €3.1 billion (+86.7%) due to higher imports of ‘vehicles with only an electric motor for propulsion’ and ‘vehicles with both a spark-ignition internal combustion piston engine and an electric motor as motors for propulsion’.

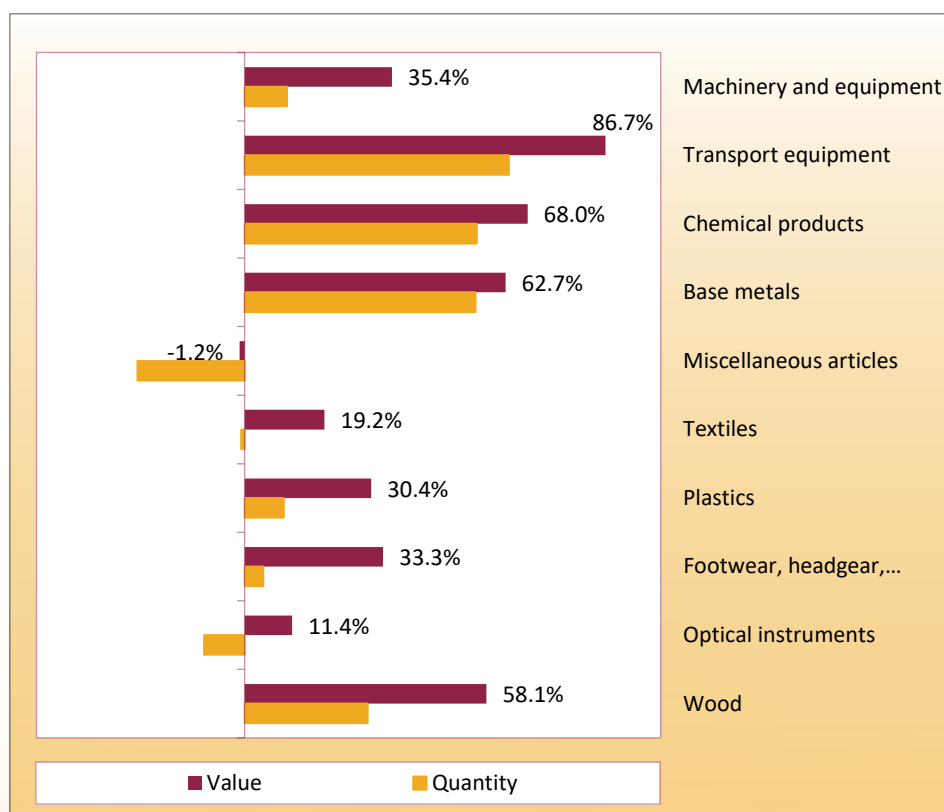
The other product groups in the top ten whose import value increased, showed growth rates

ranging from 11.4% (**optical, precision and medical instruments**) to 68.0% (**chemical products**). The nearly €1.5 billion surge in the latter product group can largely be attributed to higher imports of ‘biodiesel and mixtures thereof’, ‘aniline and its salts’ and ‘diagnostic or laboratory reagents on a backing’.

The rise in value of the preceding product groups contributed significantly to the overall 42.6% increase in Belgian imports of goods from China.

The only group of products in the top ten whose value declined was **miscellaneous manufactured articles**. Imports from this section fell 1.2% (€-33.0 million) due to a lower value for the subsections ‘luminaires and lighting fittings’ and ‘prefabricated buildings’.

FIGURE 5: VARIATION OF IMPORTS FROM CHINA BY PRINCIPAL COMMODITIES (IN VALUE AND QUANTITY) — 2022/2021



3.2 TRADE IN SERVICES

The value of Belgian exports of services to China was up **27.1%** (€+376.2 million) in 2022, increasing to nearly **€1.8 billion**. This made China Belgium's **12th** largest client after Spain, but before Denmark with a share of **1.3%** of total Belgian exports of services.

Belgian imports of services from China nearly reached **€1.6 billion** in 2022, corresponding to a **37.1%** (€+430.4 million) increase compared to the year before. China was Belgium's **15th** largest supplier in 2022 with a share of **1.2%** of our country's total imports of services, ranking before Japan, but after Romania.

TABLE 4: EVOLUTION OF BELGIUM'S TRADE IN SERVICES WITH CHINA

In million €	2020	2021	2022
Exports	1,216.0	1,389.5	1,765.7
Imports	721.0	1,160.9	1,591.4
Trade balance	495.0	228.6	174.3
Exports: variation in %	8.3	14.3	27.1
Imports: variation in %	1.1	61.0	37.1

Belgium's **trade balance for services** was positive each year from 2020 to 2022, with exports of services to China outperforming imports from that country each time.

Belgium's services trade surplus with China, which amounted to €495.0 million in 2020, was reduced to €228.6 million and €174.3

million, respectively, in 2021 and 2022 because the value of imports increased more than exports during each of those two years.

The trade balance for services stood in contrast to that for goods during each of the last three years, given that the latter is traditionally negative for our country.

3.2.1 EXPORTS

In 2022, **other business services** constituted the largest category in terms of total Belgian **exports** of services to China with a 36.1 share and a value of €638.1 million. This section includes, among other things, ‘merchanting’, ‘operational leasing services’, ‘legal services’, ‘accounting, auditing, bookkeeping and tax consultancy services’, ‘advertising, market research and public opinion polling’ and ‘waste treatment and depollution’. **Transportation services** took 2nd place with 34.8%, while **royalties and licence fees** settled in third place with a share of 13.7%.

Each of the top 5 sections in exports recorded an increase in 2022. The higher value for **other business services** was the main reason why total Belgian exports of services to China were up by 27.1% in 2022. This group of services displayed a rise of 51.7% (€+217.4 million).

Transportation services and **royalties and licence fees** recorded growth rates of 3.7% (€+22.1 million) and 62.4% (€+93.1 million), respectively.

Communication services and **financial services** were the other sections from the top five for which exports increased. The value of the first section rose 34.6% (€+30.7 million), while exports of the latter were up 79.9% (€+18.0 million) to €40.6 million.

TABLE 5: BELGIAN EXPORTS TO CHINA BY PRINCIPAL SERVICES

In million €	2021	2022	2022/2021 Var. in %	2022 Share in %
Other business services	420.7	638.1	51.7	36.1
Transportation services	592.8	614.9	3.7	34.8
Royalties and licence fees	149.2	242.3	62.4	13.7
Communication services	89.0	119.7	34.6	6.8
Financial services	22.6	40.6	79.9	2.3
Other services	115.3	110.1	-4.5	6.2
Total	1,389.5	1,765.7	27.1	100.0

3.2.2 IMPORTS

Transportation services were the largest section in total Belgian imports of services from China. Their value amounted to €799.0 million in 2022, corresponding to a share of 50.2%. This section is composed of sea transport, air transport, space transport, rail transport, road transport, inland waterway transport and pipeline transport. **Other business services** and **communication services** rounded out the top three with shares of 31.3% and 5.8% respectively.

The higher value for **transportation services** and **other business services** was the main reason why total Belgian imports of services from China were up 37.1% in 2022. Imports

of the former section increased by 12.3% (€+87.6 million), while the value of the latter group of services grew by 73.9%, from €286.6 million in 2021 to €498.5 million last year.

However, **royalties and licence fees** showed the highest growth rate among the five largest sections of imports. The value of this group of services increased by 292.0%, from €11.1 million to €43.4 million.

The two other sections from the top five also recorded growth: the value for **communication services** displayed a 45.6% (€+28.9 million) increase, while imports of **production related services** rose by 42.9% (€+15.3 million).

TABLE 6: BELGIAN IMPORTS FROM CHINA BY PRINCIPAL SERVICES

In million €	2021	2022	2022/2021 Var. in %	2022 Share in %
Transportation services	711.4	799.0	12.3	50.2
Other business services	286.6	498.5	73.9	31.3
Communication services	63.3	92.2	45.6	5.8
Production related services	35.7	51.1	42.9	3.2
Royalties and licence fees	11.1	43.4	292.0	2.7
Other services	52.7	107.1	103.0	6.7
Total	1,160.9	1,591.4	37.1	100.0

4 ECONOMIC INDICATORS FOR CHINA

Economic structure (estimates)	
GDP	\$18,100.0 billion
GDP growth rate	3.0%
Inflation rate	1.9%
Exports of goods (FOB)	\$3,593.6 billion
Imports of goods (FOB)	\$2,716.0 billion
Trade balance	\$877.6 billion
Population	1.4 billion
Unemployment rate	4.2%
Main clients: % of total	
United States	16.2
Hong Kong	8.3
Japan	4.8
Rep. of Korea	4.5
Main suppliers: % of total	
Rep. of Korea	7.4
Japan	6.8
United States	6.6
Australia	5.2
Main exports: % of total	
Electrical apparatus for line telephony or line telegraphy	6.6
Automatic data processing machines and units thereof	5.2
Electronic integrated circuits and microassemblies	4.3
Main imports: % of total	
Electronic integrated circuits and microassemblies	15.3
Crude petroleum oils and crude oils obtained from bituminous minerals	13.4
Iron ores and concentrates	4.7

Sources: TrendEconomy + Lloyds Bank Trade

5 INDEX OF THE UNIT PRICE FOR IMPORTS AND EXPORTS

The table below gives an overview of the development of the index of the unit price for imports and exports for Belgium (with the world).

This index facilitates an analysis of the general development of the price of goods. This makes it possible to consider the global development of Belgian imports and exports in perspective by determining the part that is

caused by price developments (and hence which part is caused by a change in quantity).

The table has to be interpreted as follows:

If a given product had an export value of €100 in the year 2015, then this product had an average value of €114.4 in 2021. The same principle applies to imports. If a particular product had an import value of €100 in 2015, the same product then had an import value of €115.1 in 2021.

TABLE 7: INDEX OF THE UNIT VALUE OF TOTAL BELGIAN EXPORTS AND IMPORTS (2015=100)

	Export	Import
2010	93.6	93.6
2011	100.0	101.3
2012	102.5	104.3
2013	101.6	103.2
2014	100.6	101.7
2015	100.0	100.0
2016	97.4	95.8
2017	102.0	101.9
2018	105.1	106.5
2019	105.8	106.4
2020	104.2	103.3
2021	114.4	115.1

6 SOURCES

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NATIONAL BANK OF BELGIUM — WWW.BNB.BE

CREDENDO GROUP — WWW.CREDENDOGROUP.COM

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DIRECTORATE-GENERAL COMMERCE, EUROPEAN COMMISSION — [HTTP://EC.EUROPA.EU/TRADE](http://EC.EUROPA.EU/TRADE)

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WORLD TRADE ORGANIZATION — WWW.WTO.ORG

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