

Six analyses that can be undertaken with China Import or Export Statistics

The purpose of using trade statistics is to answer key questions of value for firms. Key questions like:

- assess a firm's performance relative to the total market
- monitor market conditions
- monitor competitors, new entrants, and retirements, and
- search for new sales opportunities.

TradeData have spent more than 20 years assisting firms answer these sorts of questions using detailed China import and export statistics. This paper lists 6 analyses that can be undertaken with China import or export statistics.

ANALYSIS 1. Market Share

Firms often want to measure how well they are performing relative to competitors. Market Share analysis enables firms to track their performance relative to others. Is the market increasing or decreasing and is my share of the market increasing or decreasing over time? These are key questions for firms.

TradeData are expert in assisting firms measure market share. Two examples are list below:

- China export and import data lists trade on a China Province and overseas country basis. For example:
 - Exports of Polypropylene, in primary forms from Fujian Province in China, to Vietnam; or
 - Imports of Mats of Glass Fibres from the USA, into Zhejiang Province.

An individual firm can subtract their export or import sales from the total provincial and country exports/imports shipments to calculate their own market shares over time. Combining a firm's own export or import transactions with total shipments sourced from TradeData, enable market shares to be calculated.

Market Shares can be measured across different dimensions like firms, countries, or regions within China. For example, when considering Olive Oil imports, you may want to measure the import share of Italian Olive oils compared to oils from Spain.

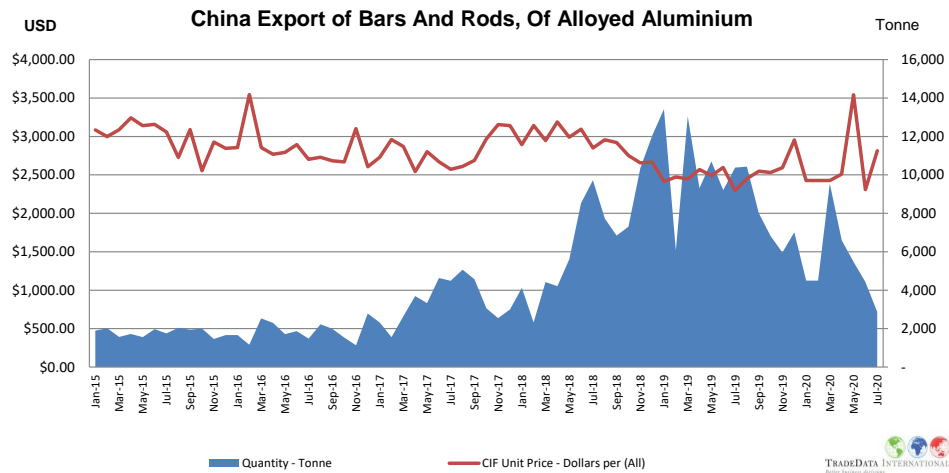
A second example, you may be a Hunan based exporter of Bars and Rods of Alloyed Aluminum and you are currently exporting to the USA. Initially you may want to measure Hunan exports compared with exports from elsewhere in China. If in this example you combined China exports of Bars and Rods of Alloyed Aluminum with USA imports statistics of Bars and Rods of Alloyed Aluminum, you can then measure the market share of Hunan sourced product in the USA import market. If you further combine this with your own company's exports to the USA, you then have a measure of your own exports as a share of the USA import market for Bars and Rods of Alloyed Aluminum. This could be further broken down into different regions across the USA using the Port of Discharge dimension found in USA import statistics.

TradeData are expert in combining export and import data from different countries to expand the market share analyses that can be undertaken. Likewise, firms can add their own exports and imports to measure their own market shares.

ANALYSIS 2. Monitor Market Size and Growth/Decline Characteristics by Country

TradeData's standard excel file enables firms to quickly monitor the size of an export or import market and whether it is static, growing, or declining. The following chart come from TradeData's standard Excel file and lists China exports of Bars and Rods of Alloyed Aluminium. This shows:

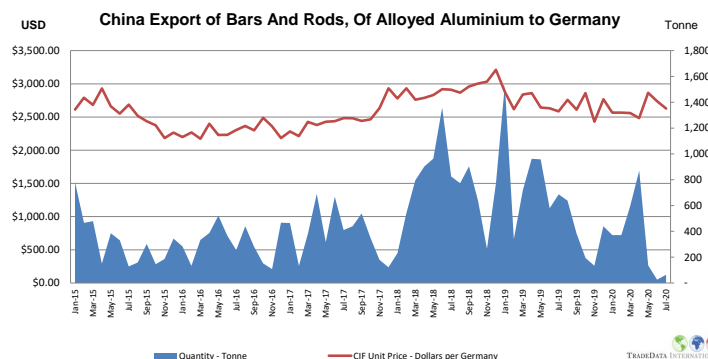
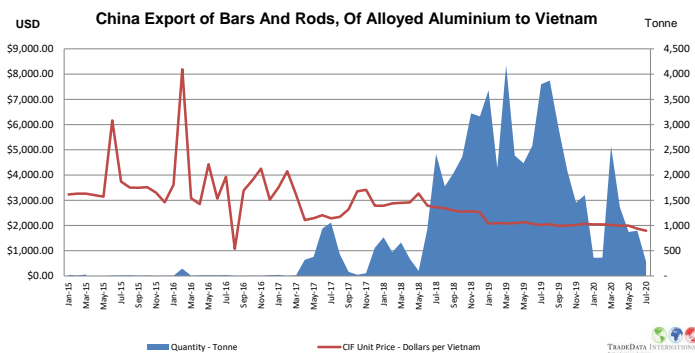
- Export volumes increasing strongly throughout 2019 and these higher levels been maintained in the first half of 2019 before declining markedly
- The mid 2020 export volumes are only at 40% of volumes in mid-2019
- Average prices declined throughout late 2018 and into 2019 before steadying at these lower levels



The next two charts contrast China exports to Vietnam with exports to Germany. Export volumes to Vietnam have grown very strongly from mid-2018 to mid-2019 only to decline since then. By July 2020 export volumes were only one tenth of the late 2019 volumes. Average export prices to Vietnam have declined slowly over the period.

Exports to Germany are more consistent but also grew strongly in 2018 and 2019 before declining again. Average prices with exports to Germany are increasing slowly.

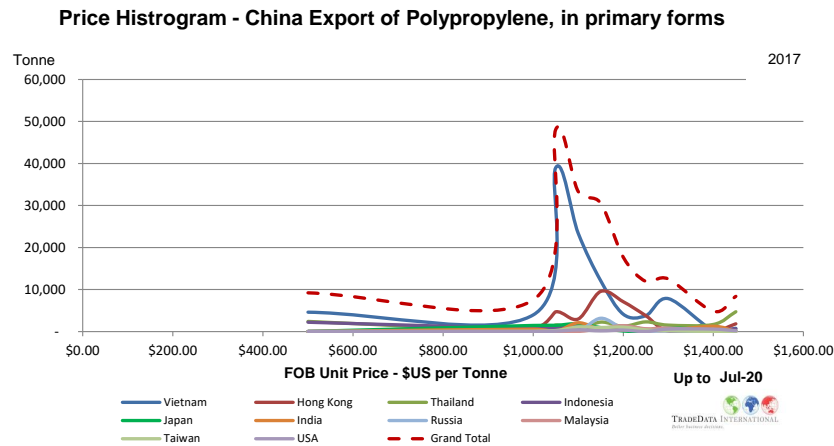
These sorts of analyses are easily undertaken with TradeData's standard Excel file.



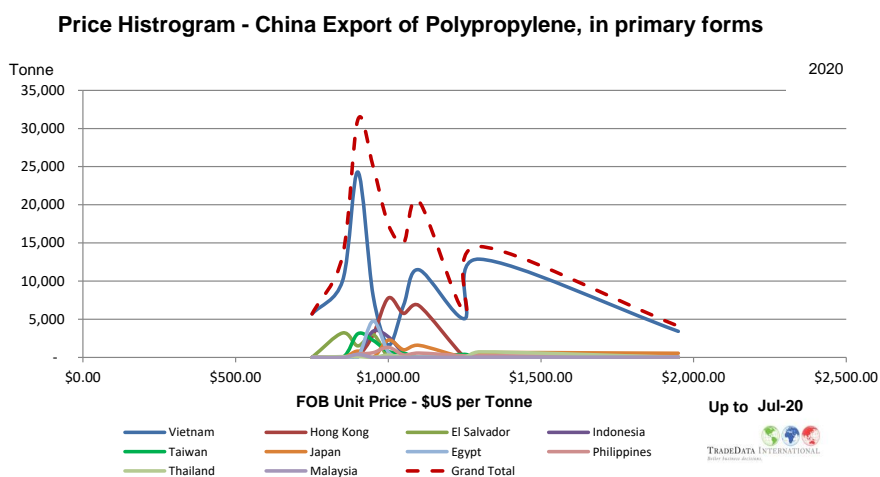
ANALYSIS 3. Monitor Competitor Activities and Identify New Potential Sales Opportunities

A Price Histogram is a useful chart for as it measures at a point in time, the volume of export or imports at different price points. This is particularly useful for identifying market segments.

The following two charts list for 2017 and 2020 up until May, a Price Histogram of China exports of Polypropylene, in primary forms. The 2017 chart shows there is a major price point between \$US 1,050 and \$US 1,150 per tonne. However, there are also sales at prices from \$US 500 up to \$US 1,500 per tonne. At around \$US1,100 most exports go to Vietnam and some to Hong Kong. At \$US 1,500 they are mostly exported to the Thailand and at \$US 500 exports go to Vietnam and Indonesia. Obviously, the higher and lower priced exports have some attributes that enable the higher/lower prices to be viable. Although they are in the same Import code, they are in different market segments.



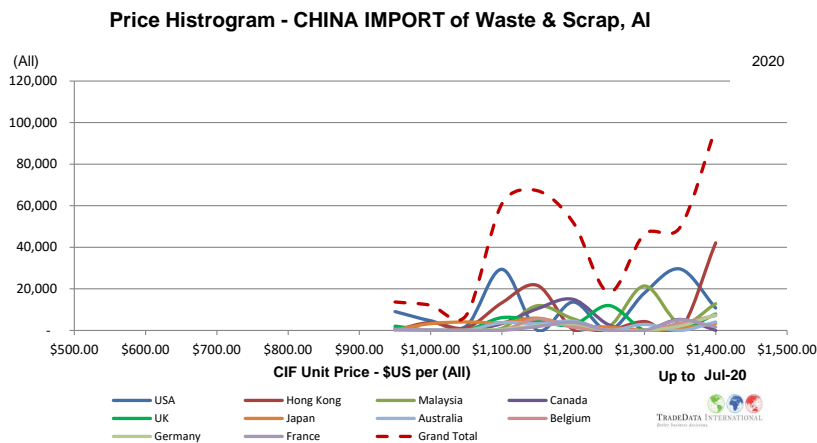
The same histogram is drawn below for the first 7 months of 2020. The structure of the market has changed significantly. The price of the major price point has declined and is now between \$US 900 and \$US 1,100 per tonne. The higher priced point sales have grown substantially in volume and in price and are centered around \$US 1,250 per tonne and some exports at prices up to just below \$2,000 per tonne. The lower price segment has disappeared. Vietnam is still the major destination for most exports.



ANALYSIS 4. Market Segmentation

At its core, trade market segmentation is research that divides export or import transactions into subsets of similar transactions (products) that might be found in one HS code. Market segmentation is used to better understand the market.

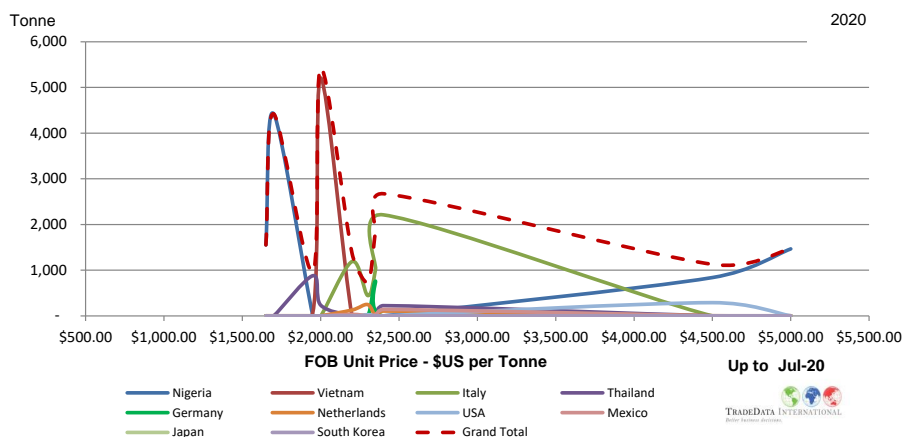
By understanding market segments, firms can target more precisely their sales, marketing strategies, competitors and so on. The charts below list an import example of market segmentation by price. The chart lists a price histogram of China imports of Waste and scrap aluminum thus far in 2020. Imports are purchased across a wide range of prices and different volumes at each price from different countries. Large volumes are imported from the USA at \$US 1,100 and \$US 1,350 per tonne, from Hong Kong at \$US 1,250 and \$US 1,400 per tonne, and from Malaysia at \$US 1,300 per tonne. Smaller volumes are imported from a wide range of countries at a range of different prices.



These higher priced imports must have certain quality attributes that enable them to be sold at a price premium. When analyzing import sales much can be gained by separating transactions into distinct market segments. In fact, if you do not segment the transactions your analysis will produce an average import price around \$US 1,250 per tonne, where few import sales occur. The failure to segment the data into discrete segments can be very misleading.

The next chart lists a price histogram of China exports of Bars and Rods, of alloyed Aluminum. This show four distinct segments as: around \$US 1,657 to Nigeria, \$US 2,000 to Vietnam, Between \$US 2,200 and \$US 2,400 to Italy and to Nigeria again around \$US 5,000 per tonne. Obviously, Aluminum bars around \$US 5,000 are different to those at below \$US 1,700 per tonne. By segmenting observations into these separate price segments, the analysis is far more insightful. In fact, by not undertaking this segmentation, the analysis could be quite misleading.

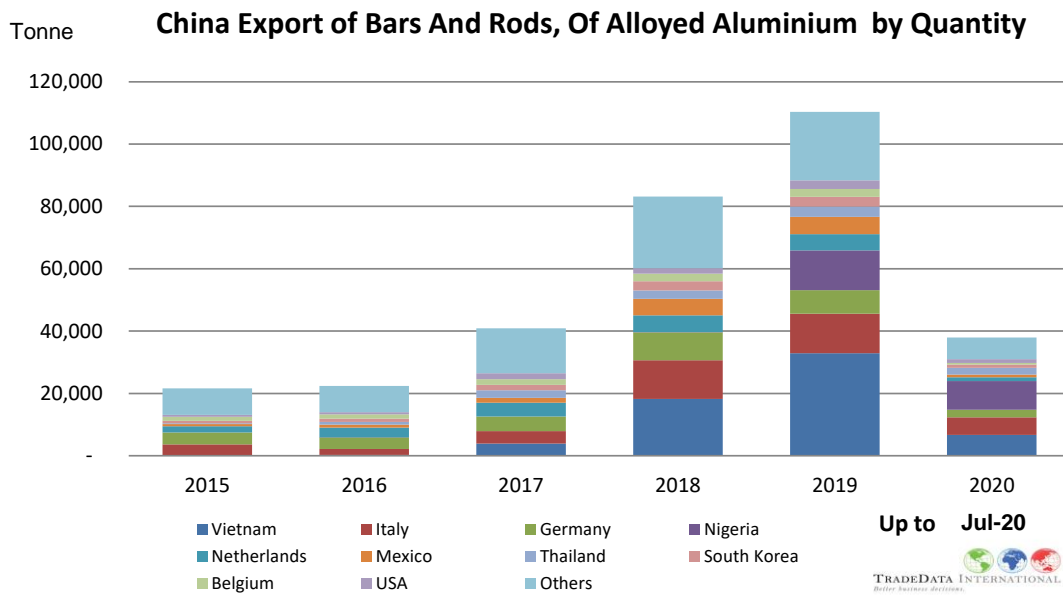
Price Histogram - China Export of Bars And Rods, Of Alloyed Aluminium



TradeData are expert in market segment analysis and are happy to advise you when undertaking these analyses.

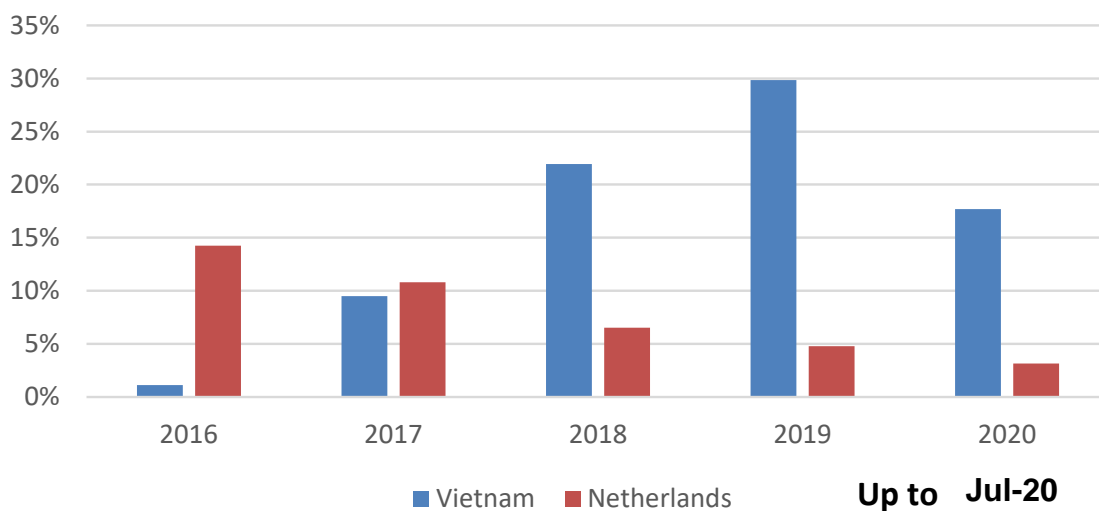
ANALYSIS 5. New Entrants into an Import/Export Market or a Change in Market Structure

Markets are dynamic. New entrants come and go as circumstances change. The chart below lists the top ten destination countries for China exports of TV & Video camera recorders, including digital. If we compare exports to Mexico and China with the USA, exports to China and Mexico have increased strongly but not to the USA.



The structure of the market has changed substantially over the last three years. China and Mexico have strongly increased their market share at the expense of most other countries as seen in the chart below.

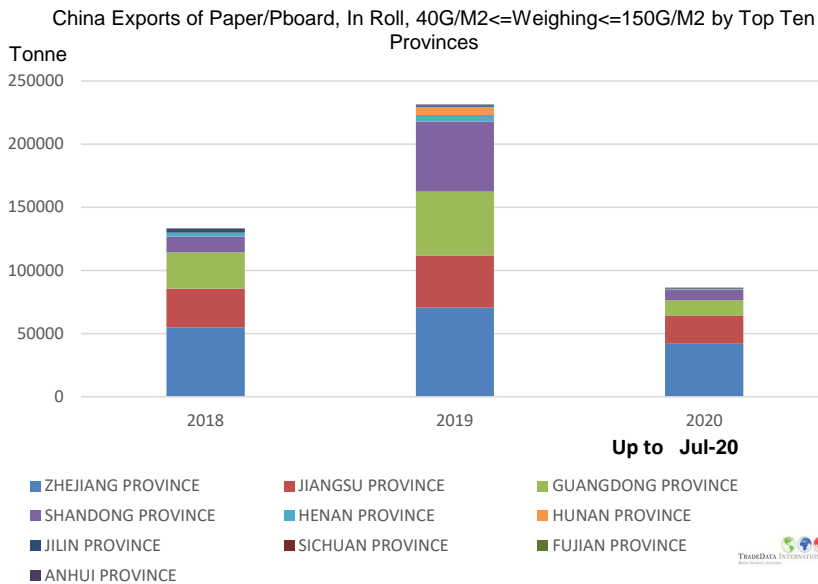
Market shares - China exports of Bars And Rods, Of Alloyed Aluminium



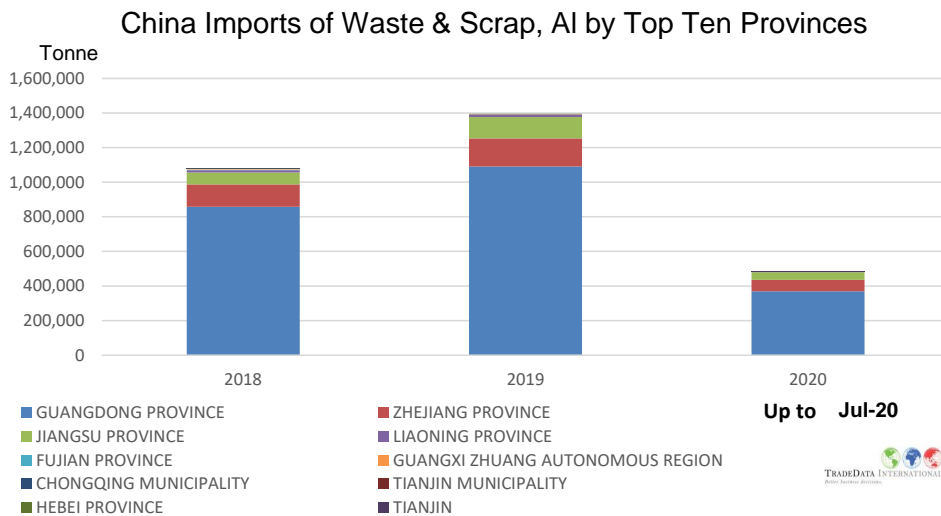
TradeData's standard excel file enables efficient analysis of the structure of China import or export statistics.

ANALYSIS 6. Analyse Trade Regionally

Another feature of China trade statistic is that they list the Ports of loading for exports and Ports of Discharge for imports. The chart below lists the ports of loading for China exports of TV & Video cameras. The strong growth in recent years is due to exports from Narita airport and Nagoya seaport.



Port details are also found in China import statistics are seen in the Chart below which list China imports of Tubes and Pipes of Refined Copper. The recent growth in is associated with increased imports through Tokyo, Nagoya, and Kobe.



Conclusion

TradeData are expert in analysing China import and export statistics. TradeData delivers the trade statistics in an excel file that enables the user to obtain the maximum amount of commercial information from the data. TradeData offers a **Free Initial Design/Analysis** consultation or advise.