CHINA – BAROMETER

Monthly Update

July 2025

FOCAL POINTS :

Macro Environment

China's first-half economic data reflects resilient overall growth, though not without notable underlying strains. The economy expanded by 5.3 percent year-on-year, putting Beijing on a steady path to achieving its full-year growth goal of "around 5 percent." However, much of this progress has been underpinned by robust industrial output and strong external demand, rather than the broad domestic revival policymakers have been aiming to stimulate.

Energy

China's thermal power output rose for the first time this year in June, increasing 1.1 percent year-on-year to 493.9 terawatt-hours. Cumulative thermal power generation over January–June declined 2.1 percent year-on-year to 3.0 trillion kilowatt-hours.

Manufacturing

China's crude steel production totalled 514.8 million tonnes in the first half of 2025, down 3.0 percent year-on-year. The pace of decline widened from the 1.7 percent contraction recorded over January–May.

Imports

China's coal imports slumped to 33.04 million tonnes in June, the lowest monthly total since February 2023, marking a sharp 25.9 percent year-on-year decline. In contrast, soybean imports surged to a record for the month of June, reaching 12.26 million tonnes — up 10.0 percent year-on-year.

Exports

China's steel exports in June climbed by 10.5 percent year-on-year to 9.68 million tonnes, defying protectionist measures from the US, EU, Vietnam, targeting Chinese steel overcapacity

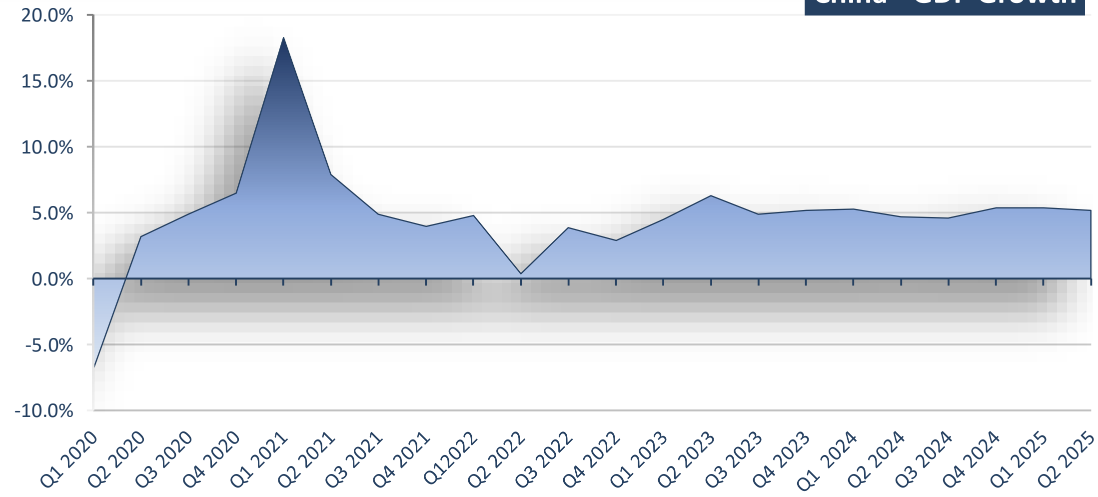
Doric Research Department

Michalis Voutsinas
Helen Vlassi

CONTENT PAGES :

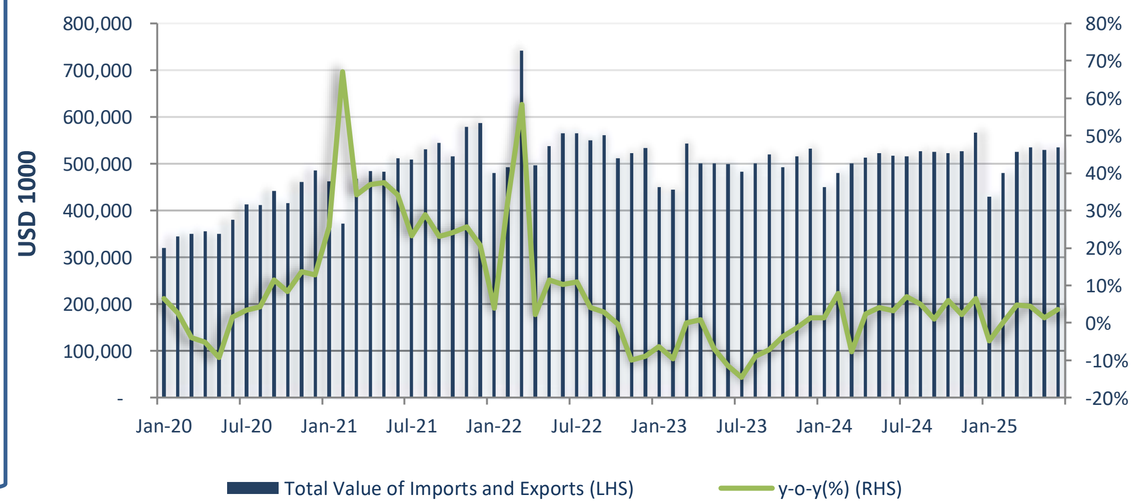
- China's economy expanded by 5.3 percent on the year in the first half of 2025, outperforming expectations, with the second quarter growing by 5.2 percent year-on-year and 1.1 percent quarter-on-quarter.
- Growth was broad-based, led by a 6.4 percent increase in industrial output during January-June period. In June alone, industrial output grew by 6.8 percent year-on-year, signaling an acceleration entering the second half of the year.
- Meanwhile retail sales grew by 5.0 percent, and fixed asset investment rose by 2.8 percent on year, over the same period , with a particular boost from manufacturing-related spending.
- Outbound shipments jumped by 5.8 percent from a year ago in June to USD 325.18, exceeding Reuters' poll estimates of a 5.0 percent rise, buoyed by the temporary reprieve from US tarriffs.
- Cumulative seaborne arrivals to China climbed by 1.1 percent year-on-year in June to USD 210.41 billion, reversing the trend of declining imports.
- June's trade surplus balanced at USD 114.8 billion, or 16.0 percent up from USD 98.94 billion a year earlier.

China - GDP Growth



Source: NBS, Doric Research

China - Total Value of Imports and Exports



Source: NBS, Doric Research

- In June 2025, national Producer Price Index (PPI) plunged by 3.6 percent year-on-year, marking the steepest fall since July 2023, driven by rising external risks amid uncertainty over US tariffs and persistently weak domestic demand.
- On a monthly basis, June's figure also slowed by 0.4 percent, matching the pace of March, April and May. This marked the largest monthly drop in six months.
- The drop in producer prices, however, fell short of market projections of a 3.2 percent decline in June. For the first half of the year, factory-gate prices edged down by 2.6 percent on year.
- China's Consumer Price Index edged 0.1 percent higher in June from a year ago, returning to growth after four consecutive months of declines. This also surpassed market forecasts of a flat reading.
- On a monthly basis, the CPI fell 0.1 percent, after May's 0.2 percent drop, pointing to the fourth monthly decline this year.
- Non-food prices edged up 0.1 percent in June, after being flat in the prior two months.
- The core inflation, stripping out food and energy prices, rose 0.7 percent from a year ago, marking the highest reading in 14 months and following a 0.6 percent gain in May.

China - Producer Price Index (Industrial Sector)

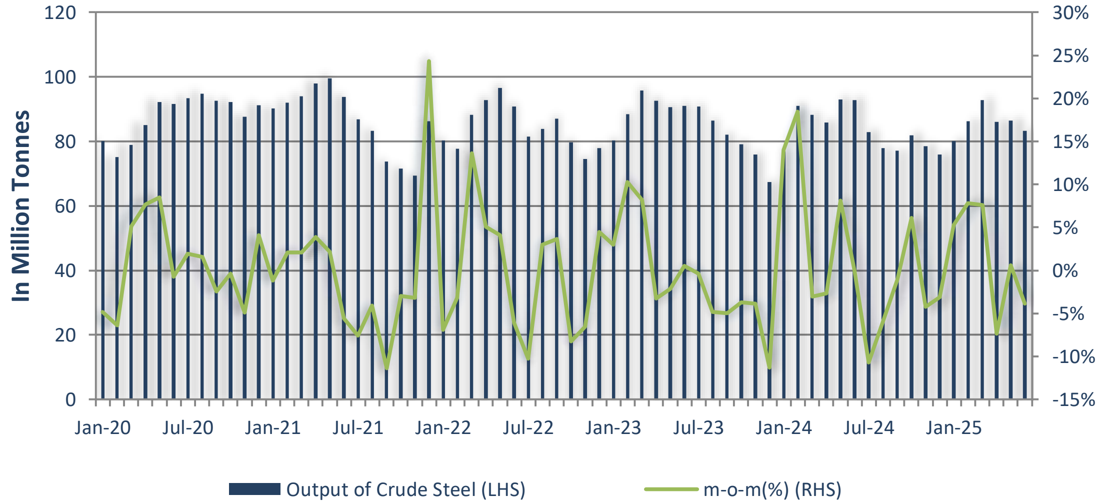
Source: NBS, Doric Research

China - Inflation Rate

Source: NBS, Doric Research

- China's crude steel output plummeted by 9.2 percent year-over-year in June, with production totaling 83.18 million tonnes. This represents the most significant decline in ten months and has pushed first-half steel production to its weakest level since 2020.
- On a daily basis, crude steel output averaged 2.77 million tonnes in June, edging down by 0.7 percent from May and still below the May 2024 record of 3.0 million tonnes.
- China's crude steel production totalled 514.8 million tonnes in the first half of 2025, down 3.0 percent year-on-year. The pace of decline widened from the 1.7 percent contraction recorded over January–May.
- China's official manufacturing Purchasing Managers' Index (PMI) edged up to 49.7 in June, up from 49.5 in May, marking the second consecutive monthly increase. Although the headline figure remained below the 50-point threshold, new export orders rose to 50.2, signalling a tentative recovery in external demand.
- The non-manufacturing sector held steady, with the services PMI softening slightly to 50.1, while the construction sub-index rebounded sharply to 52.8, up 1.8 points from May.

China - Crude Steel Output



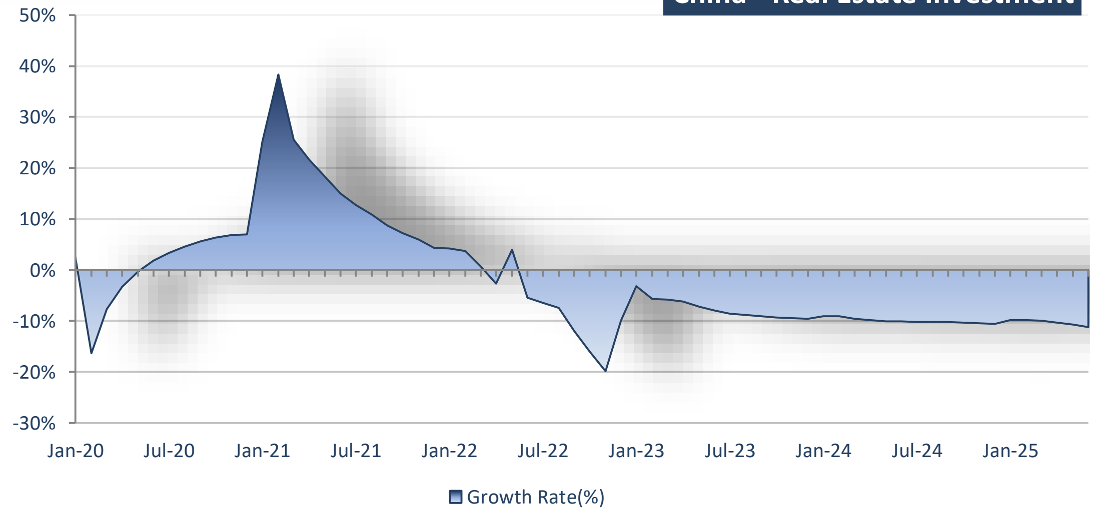
Source: NBS, Doric Research

China - Manufacturing PMI

Source: NBS, Doric Research

- China's property investment contracted by 11.2 percent year-on-year in the first half of 2025, widening from a 10.7 percent decline recorded over January–May.
- Property sales by floor area declined 3.5 percent over the same period, compared to a 2.9 percent fall in the first five months.
- New construction starts - an indicator of future activity - plunged 20.0 percent, following a 22.8 percent contraction between January and May.
- In June, new home prices fell 3.2 percent year-on-year, marking the fastest monthly decline in eight months and highlighting the struggle to revive demand.
- Total value-added industrial output expanded by 6.8 percent year-on-year in May, representing the sixth consecutive month of growth above 5.0 percent through the year for China's industrial sector. This represents a continuation of strong growth, with a monthly increase of 0.5 percent compared to May 2025.
- In terms of sectors, the value added of mining increased by 6.0 percent year on year, that of manufacturing increased by 7.0 percent,

China - Real Estate Investment



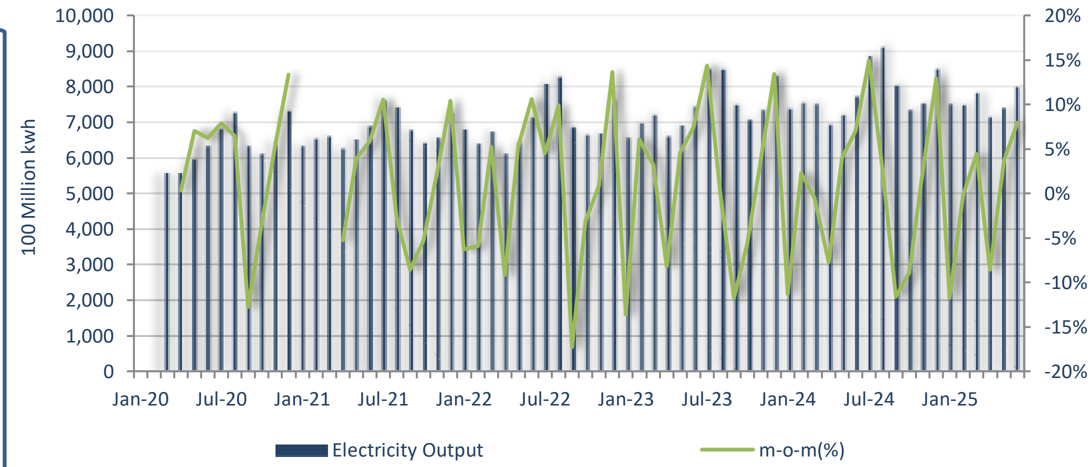
Source: NBS, Doric Research

China - Value-added of Industry

Source: NBS, Doric Research

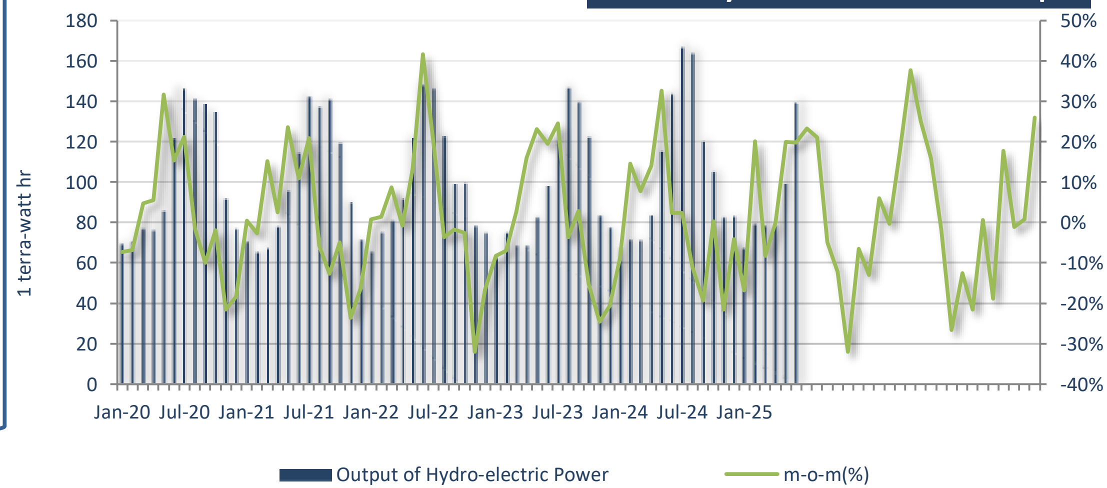
- China's total power generation rose by 1.7 percent year-on-year in June 2025 to 796.3 billion kilowatt-hours (kWh), outpacing last month's record of 737.8 billion kWh.
- This growth was fueled by a significant rise in solar and nuclear power output, which increased by 18.3 and 10.3 percent respectively, while thermal and wind power also saw increases.
- Over January–May period, total power generation rose by 1.8 percent to 4.5 trillion kilowatt-hours.
- Clean energy output totaled 2,400 terawatt-hours in the first half of 2025, accounting for roughly 25.0 percent of total power generation. While fossil fuel sources still dominated the energy mix, the growth in clean energy output continued to outpace that of thermal generation, reinforcing the long-term structural shift.
- In June 2025, China experienced a 3.2 percent decrease in hydropower production compared to the same period last year. This figure was up from June 2023, though still lower than the corresponding 2022 period.
- Over the first half of the year, hydropower generation slightly dropped by 2.0 percent compared to the same period in 2024.

China - Electricity Output



Source: NBS, Doric Research

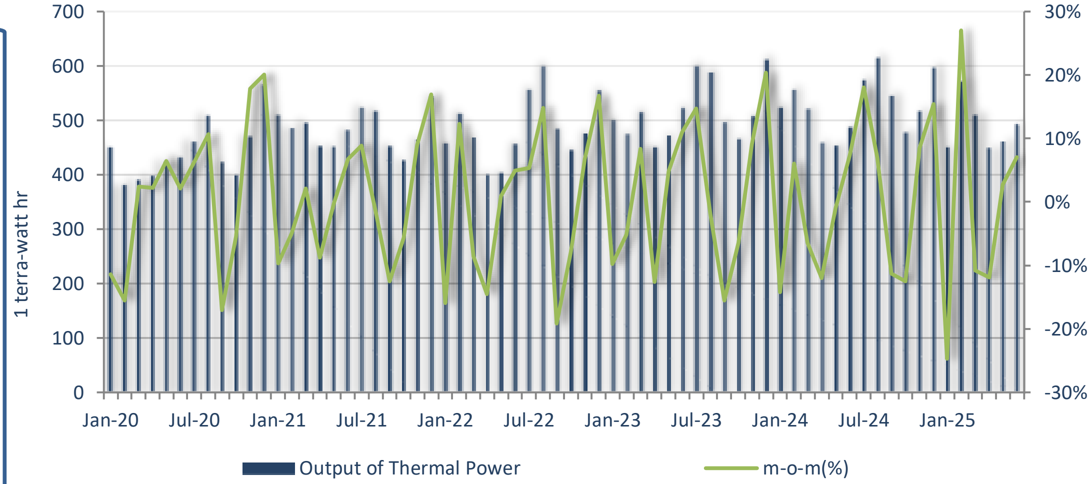
China - Hydro-Electric Power Output



Source: NBS, Doric Research

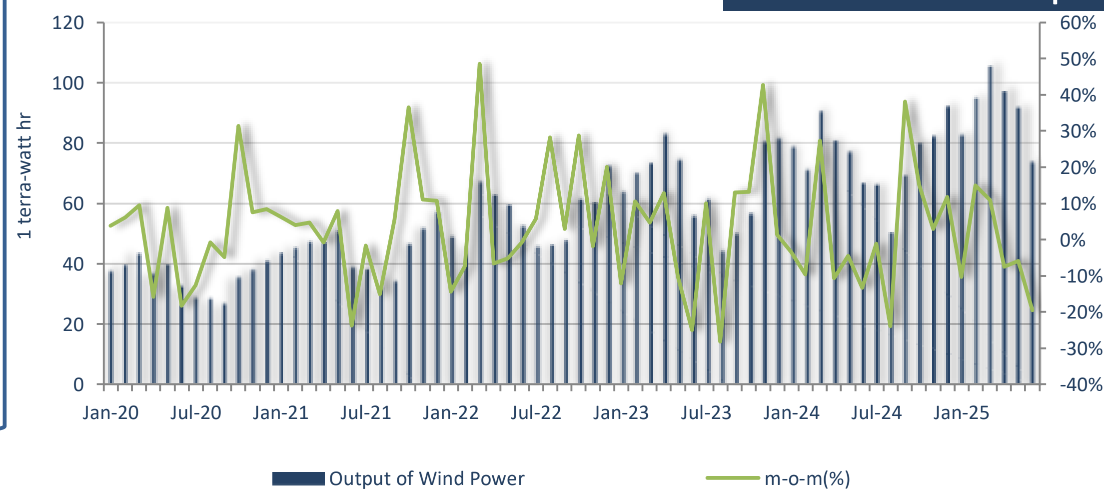
- China's thermal power output rose for the first time this year in June, increasing 1.1 percent year-on-year to 493.9 terawatt-hours. The uptick was primarily driven by higher temperatures and elevated air conditioning demand across northern China.
- Despite the modest rebound in thermal generation, fossil fuel-related emissions in the power sector fell during the first half of 2025, reflecting continued gains in efficiency and cleaner grid composition.
- Cumulative thermal power generation over January–June declined 2.1 percent year-on-year to 3.0 trillion kilowatt-hours, although it remained 20.0 percent higher than in the same period of 2019.
- Solar power led the expansion in overall electricity generation, surging 18.3 percent year-on-year in June. The country also crossed a major milestone, surpassing 1.0 terawatt of installed solar capacity.
- Wind power generation also contributed to the overall increase in output, rising 3.2 percent compared to June 2024, as renewable sources continued to gain traction in China's energy mix.

China - Thermal Power Output



Source: NBS, Doric Research

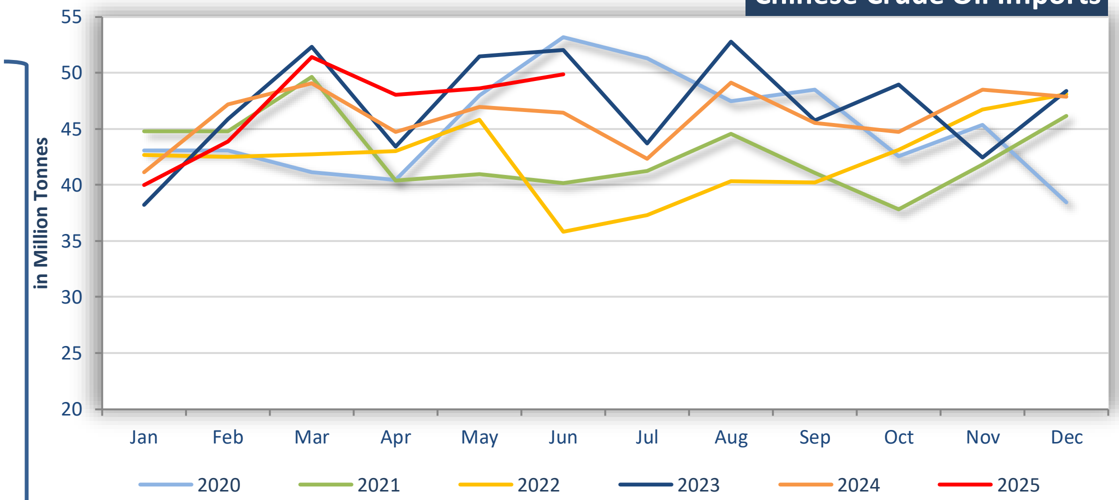
China - Wind Power Output



Source: NBS, Doric Research

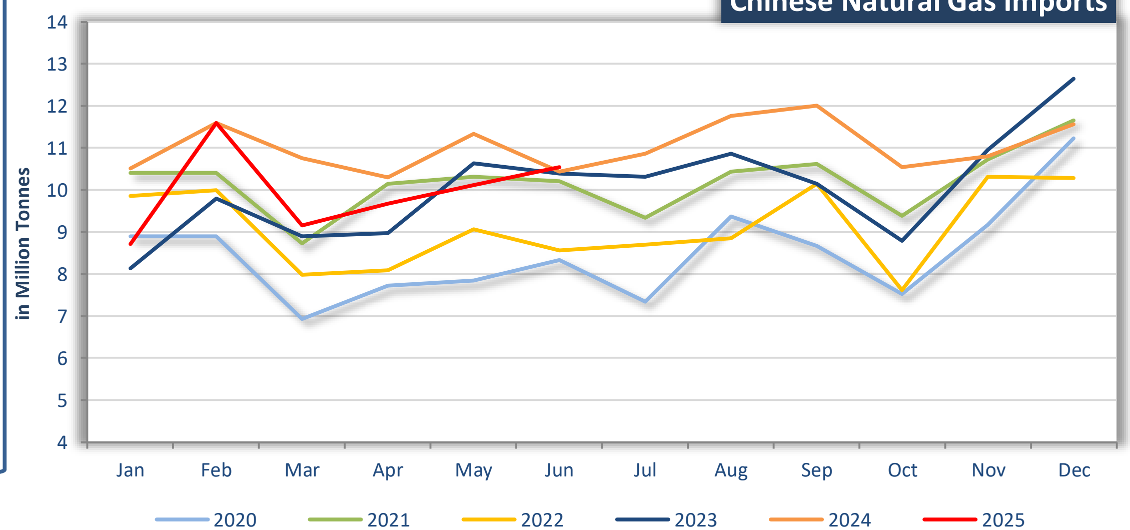
- China's crude oil imports surged to 49.89 million tonnes in June 2025, equivalent to 12.14 million barrels per day - the highest daily import rate since August 2023.
- The figure marked a 7.1 percent increase from May's 46.6 million tonnes and a 7.4 percent rise compared to June 2024.
- Russian crude shipments to China edged down 1.0 percent year-on-year in June to 8.35 million tonnes, while arrivals from Malaysia - China's key trans-shipment hub for Iranian barrels - soared to 7.09 million tonnes, up 40.0 percent month-on-month and 20.0 percent on the year.
- In the first half of 2025, total crude oil imports rose by 1.4 percent year-on-year, as refiners capitalized on declining prices in Q2.
- Natural gas imports climbed to 10.55 million tonnes in June, a 7.84 percent increase year-on-year and 4.3 percent higher than May's record volume, ahead of elevated demand during the summer peak.
- Cumulative gas imports over January–June fell 7.9 percent year-on-year to 59.8 million tonnes, indicating high inventories and subdued winter demand.

Chinese Crude Oil Imports



Source: GAC, Doric Research

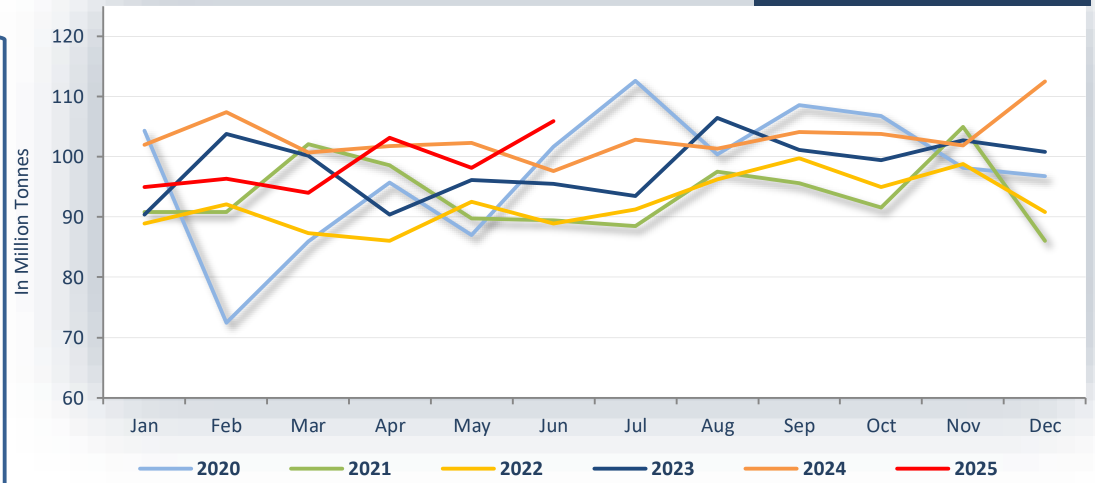
Chinese Natural Gas Imports



Source: GAC, Doric Research

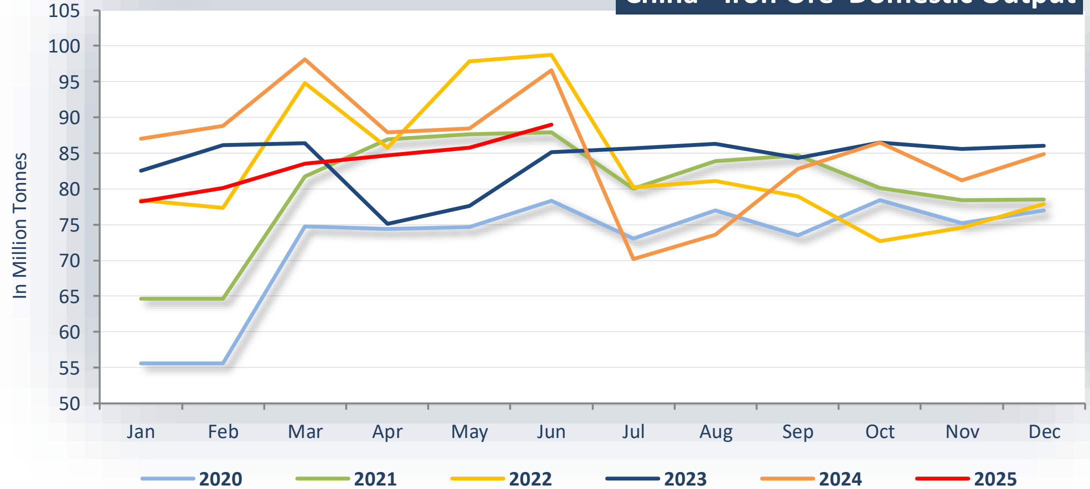
- China's seaborne iron ore imports climbed to a year-to-date high in June, reaching 105.95 million tonnes — up 8.5 percent from 97.61 million tonnes in the same month last year.
- The figure also marked an 8.5 percent increase from May's 98.13 million tonnes, despite continued weakness in the domestic steel sector.
- Over the first half of 2025, total iron ore imports fell by 3.0 percent year-on-year to 592.21 million tonnes, reflecting softer demand from the steel sector.
- Chinese steel companies reduced steel production by 9.2 percent in June 2025 compared to June 2024, to 83.2 million tonnes. Compared to the previous month, the figure fell by 3.9 percent. As a result, production in the first half fell to its lowest level since 2020 at 514.8 million tonnes.
- Remaining at elevated levels, Portside iron ore inventories balanced at 133.6 million tonnes in late June.
- Domestic iron ore output fell 9.1 percent in the January–June period to 508.6 million tonnes, as poor margins discouraged mining activity.

China - Iron Ore Imports



Source: GAC, Doric Research

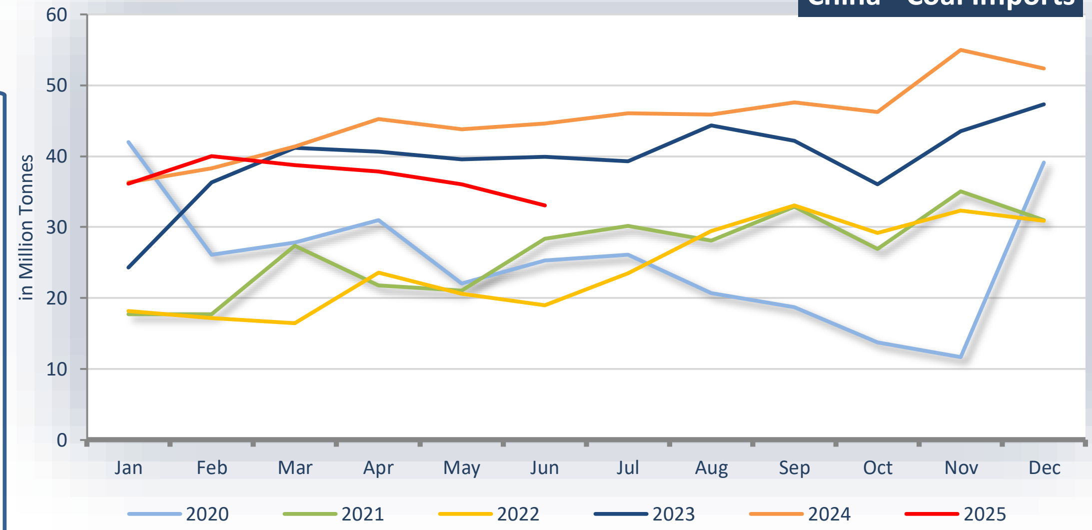
China - Iron Ore Domestic Output



Source: NBS, Doric Research

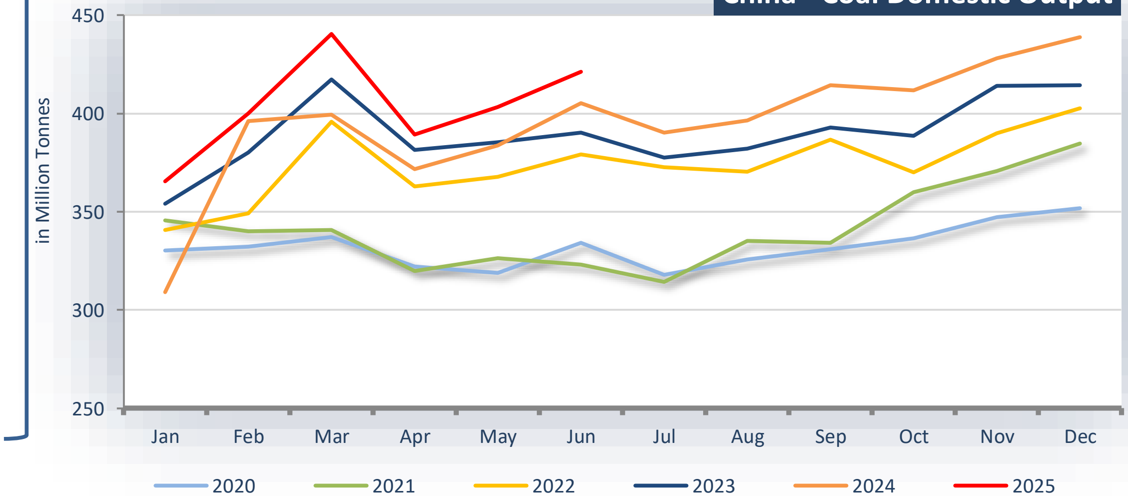
- China's coal imports slumped to 33.04 million tonnes in June, the lowest monthly total since February 2023, marking a sharp 25.9 percent year-on-year decline and an 8.3 percent drop from May.
- Cumulatively, seaborne coal arrivals over the first half fell to 221.7 million tonnes, down 11.1 percent compared to the same period last year, signalling a structural downturn in import demand.
- The contraction in total imports was further compounded by a steep 30.0 percent year-on-year fall in volumes from Indonesia while Russian coal shipments dropped 19.7 percent over the same period.
- China's coal market continues to undergo a significant realignment, driven by record-high domestic production and reduced coal-fired power generation. Following a historic surge in imports that surpassed 500 million tonnes in 2024, weaker demand has set in since early 2025.
- Domestic raw coal output rose 3.0 percent year-on-year in June to 421.0 million tonnes, further exacerbating the oversupply.
- For the January–June period, production climbed 6.8 percent on the year to 2.49 billion tonnes.

China - Coal Imports



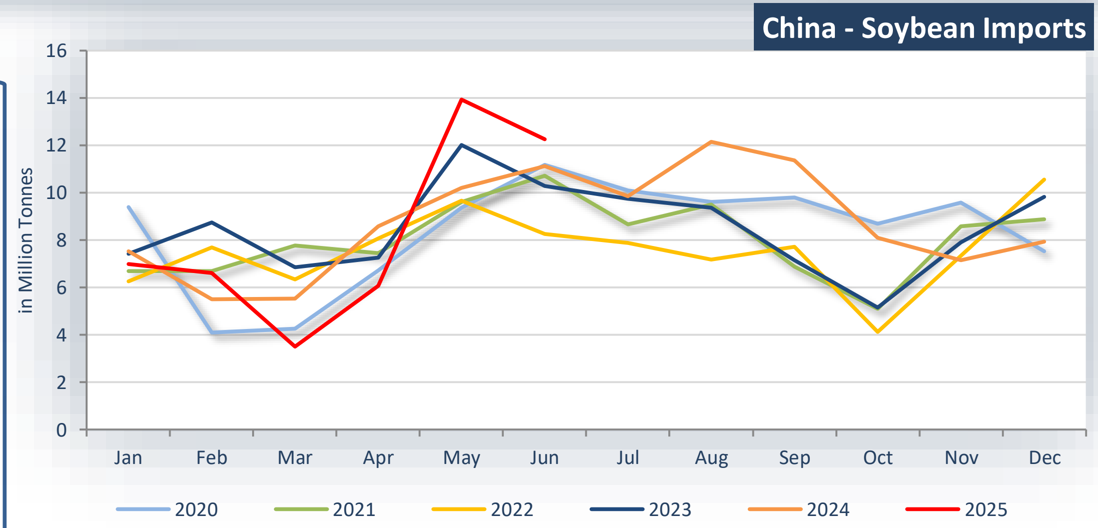
Source: GAC, Doric Research

China - Coal Domestic Output

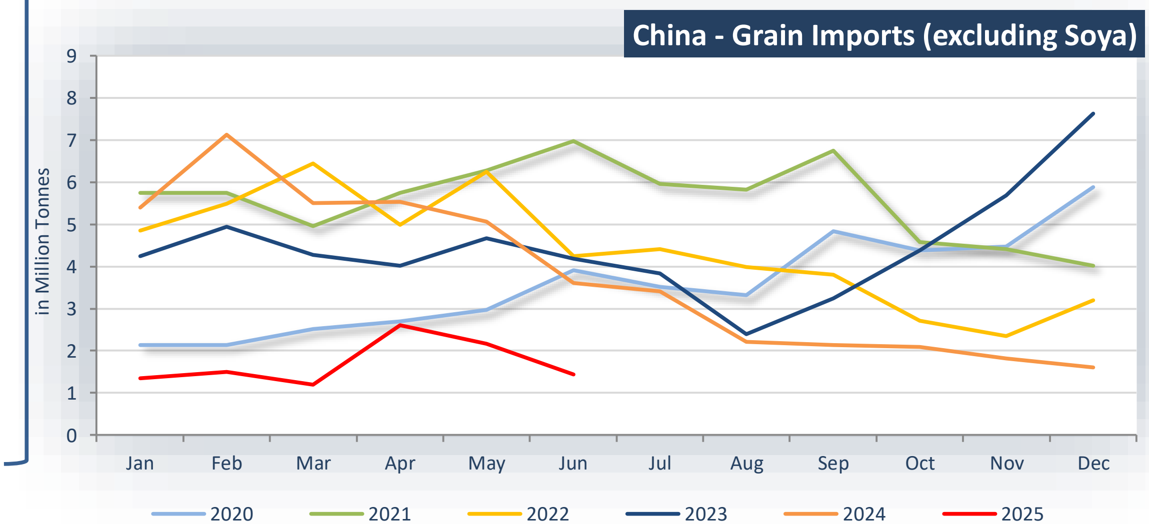


Source: GAC, Doric Research

- China's soybean imports surged to a record for the month of June, reaching 12.26 million tonnes — up 10.0 percent year-on-year. However, the figure reflected a notable 12.0 percent decline from May's all-time high.
- The June tally was driven primarily by a strong inflow from Brazil, which supplied 9.73 million tonnes, while U.S. shipments lagged at just 0.72 million tonnes, highlighting an ongoing shift in China's sourcing preferences.
- In the first half of the year, cumulative soybean imports reached 49.37 million tonnes, nearly unchanged from the same period in 2024.
- In contrast, China's grain imports plummeted, falling 60.1 percent year-on-year to just 1.44 million tonnes in the first half of 2025.
- U.S. grain exports to China declined sharply, down fourfold from May levels. Compared to June 2024, when China spent USD 369.5 million on U.S. grain, the drop in value approached a staggering 500-fold, underscoring the depth of the collapse in this trade segment.



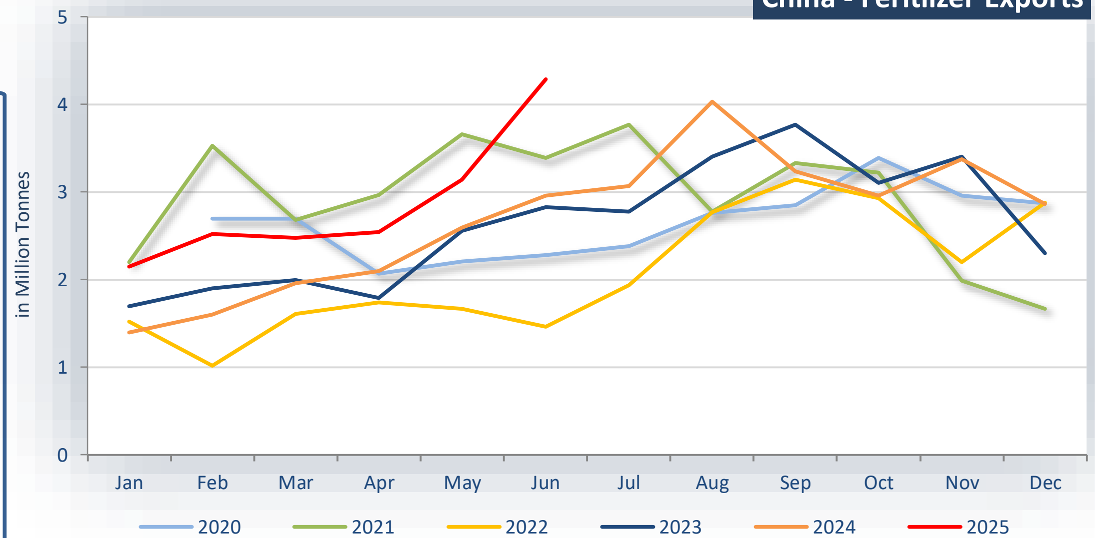
Source: GAC, Doric Research



Source : GAC, Doric Research

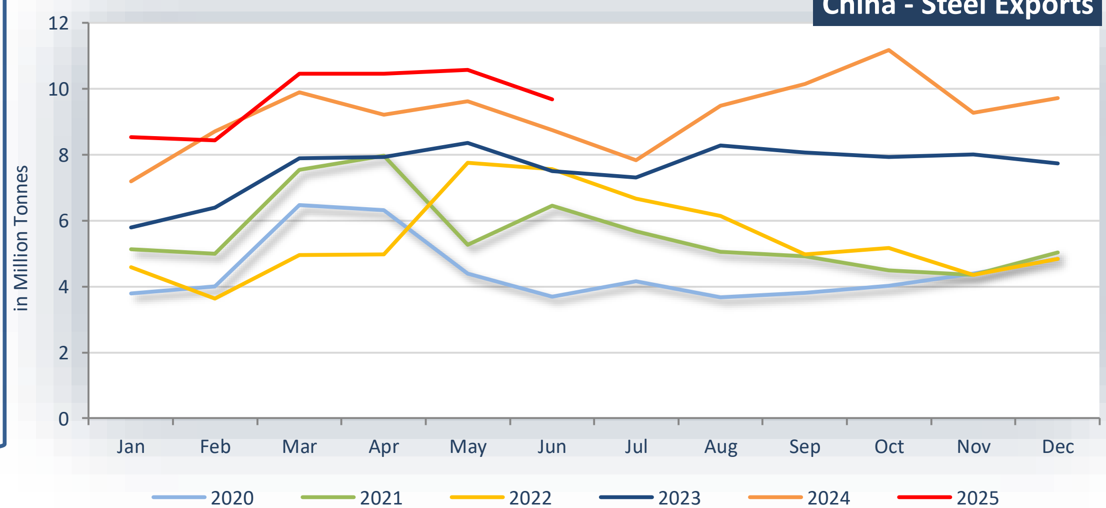
- In June, China's fertilizer export volumes increased by 44.9 percent year-on-year to 4.29 million tonnes.
- This surge in exports was a part of a larger trend, with the first six months of 2025 showing a 35.9 percent increase to 17.13 million tonnes, and a 25.9 percent increase in export value.
- Although China is loosening its ban on urea exports, local companies will still be subject to quotas and minimum prices for shipments, with exports to India remaining restricted. The relaxation of export limits is expected to provide relief to the tight global urea supplies and stabilize prices.
- China's steel exports remained firm in June, rising 10.7 percent year-on-year to 9.68 million tonnes. However, on a monthly basis, volumes retreated by 8.5 percent.
- Despite mounting trade protection measures from the U.S., E.U., Vietnam, and India, China shipped a total of 58.15 million tonnes of steel in the first half of the year, marking a 9.2 percent year-on-year increase.
- Second-quarter exports reached an all-time high of 30.7 million tonnes, up 11.0 percent year-on-year, surpassing even the peak levels seen a decade ago.
-

China - Feritilzer Exports



Source: GAC, Doric Research

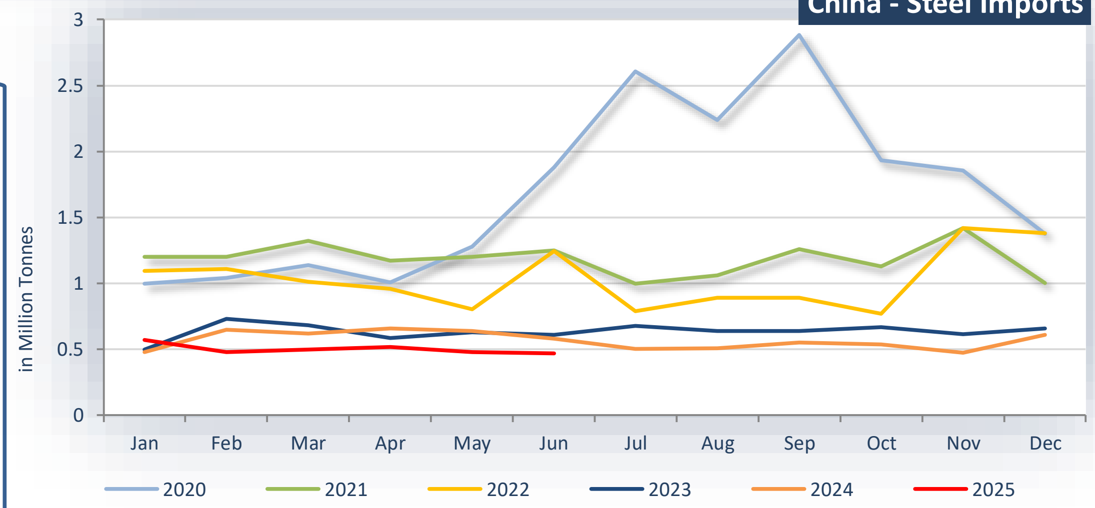
China - Steel Exports



Source: GAC, Doric Research

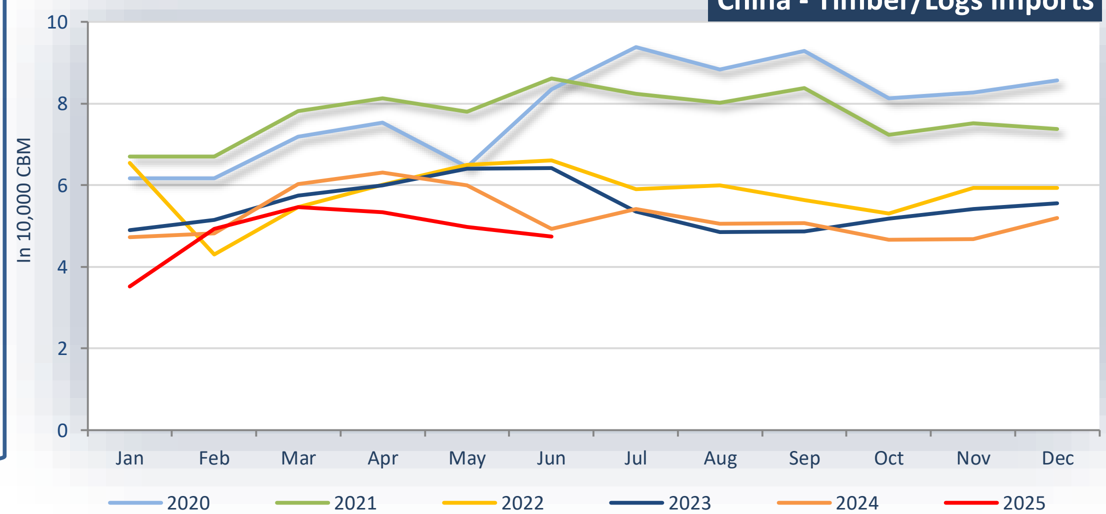
- China's seaborne steel imports remained subdued in June, falling 19.0 percent year-on-year to 0.47 million tonnes.
- Over the first half of the year, steel imports totalled 3.02 million tonnes, marking a 16.4 percent decline year-on-year. The downward trend underscores the continued softness in steel-buying appetite amid sluggish construction activity and persistent oversupply concerns.
- Finished steel inventories at trading houses across China recorded a modest increase of 0.9 percent in June, ending a seven-week retreat. The slight buildup was primarily attributed to softer steel demand amid hot and humid weather conditions, as well as rising production.
- In June, China imported 4.73 million cubic metres of logs and sawn timber. This represented a 12.0 percent year-on-year decline.
- Total timber and log imports reached 28.83 million CBM over the first half of the year, down 12.2 percent compared to the same period in 2024.
- Despite weak imports volume, China's timber market showed a sustained strip of growth with the national Global Timber Index (GTI) remained for the third straight month in expansion territory, to 57.5 percent.

China - Steel Imports



Source: GAC, Doric Research

China - Timber/Logs Imports



Source: GAC, Doric Research

Disclaimer - Doric Research Group ©

© Copyright Doric Shipbrokers S.A. 2016.

ALL RIGHTS RESERVED.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted, on any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of Doric Shipbrokers S.A.

All information supplied in this paper is supplied in good faith; Doric Shipbrokers S.A. does not accept responsibility for any errors and omissions arising from this paper and cannot be held responsible for any action taken, or losses incurred, as a result of the details in this paper.

This paper is distributed to the primary user of the delivery email account and may NOT be redistributed without the express written agreement of Doric Shipbrokers S.A.