Weekly China Insight

Beijing, 13 March 2026

China's exports surge at fastest pace in four years

On 10 March, data released by China's General Administration of Customs showed that the country's exports surged 21.8% y/y in the first two months of 2026, reaching USD 656.58 billion and marking the fastest growth in more than four years. Imports also rose strongly, climbing 19.8% y/y. Overall goods trade reached USD 1.07 trillion, up 18.3% y/y.

Exports to the US fell 11% y/y, while shipments to ASEAN and the European Union grew by 29% y/y and 28% y/y respectively, and exports to Africa surged nearly 50% y/y. At the same time, China's export structure is increasingly driven by high-tech industries: semiconductor exports jumped about 73% y/y, auto exports rose 67% y/y, and ship exports increased 53% y/y, while exports of medical equipment grew 21% y/y.

Imports were largely fueled by industrial inputs that signal strengthening manufacturing activity. Purchases of automatic data-processing machines soared 69% y/y, semiconductor imports rose 40% y/y, and agricultural imports increased 10% y/y. Meanwhile, imports of key commodities also expanded, including iron ore (up 10% y/y) and crude oil (up 15.8% y/y).

Driven by diversified markets and technology-intensive products, China's strong export momentum suggests growing resiliency. However, sustained growth will depend on continued global demand for AI-related technology and advanced manufacturing goods.

Beijing issues security warnings amid surge in OpenClaw adoption

On 10 and 13 March, Chinese cybersecurity authorities and industry bodies issued warnings about the risks associated with OpenClaw, an open-source AI agent that has recently surged in popularity across China. OpenClaw can autonomously execute tasks on a user's computer through natural language commands, including managing files, sending emails, processing data, and interacting with external applications. Its powerful automation capabilities have driven rapid adoption among companies and individual users in China, with domestic cloud platforms offering one-click deployment services and Chinese users accounting for more than 40% of the roughly 150,000 OpenClaw-related assets identified globally.

The rapid uptake has triggered mounting security concerns. According to the National Computer Network Emergency Response Technical Team, OpenClaw's default security configuration is weak and the software typically requires high system privileges such as access to local files, environment variables, and external APIs. Chinese authorities warned that attackers could exploit these permissions to gain full control of systems. Chinese regulators and research institutions have responded with guidance urging cautious deployment and stricter security controls. The Ministry of Industry and Information

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Technology's cybersecurity platform has issued alerts recommending that users avoid exposing OpenClaw instances directly to the internet, strictly limit permissions, carefully manage credentials, and install extensions only from trusted sources. At the same time, the China Academy of Information and Communications Technology has launched an initiative to develop standards for AI assistant agents to improve transparency, reliability, and user-permission management.

Concerns have also spread beyond regulators. Several Chinese universities have issued emergency notices discouraging or banning OpenClaw installations on campus networks, while online marketplaces have seen a rise in paid services helping users uninstall the software after initially paying to install it.

China's rapid embrace of OpenClaw illustrates the country's enthusiasm for AI agents and other AI-enabled technologies. However, the government's swift warnings and emerging standards suggest Beijing is moving quickly to balance technological experimentation with stronger cybersecurity oversight.

Iran conflict disrupts China's cross-border logistics and e-commerce

Last week, escalating conflict among the US, Israel, and Iran caused severe disruptions to logistics in the Middle East, threatening Chinese cross-border e-commerce operations during the region's Ramadan shopping season. Maritime traffic through the Strait of Hormuz has nearly halted after Iran declared ships could not pass the waterway. Only five vessels totaling 161,000 tons transited the strait on 2 March, compared with a pre-war daily average of about 130 ships and 11 million tons of cargo. Major container shipping lines have suspended sailings or bookings to the Middle East, while several carriers introduced war-risk surcharges. Air transport has also been disrupted, with multiple Middle Eastern countries closing airspace and over 4,000 global flights cancelled in major hubs such as Dubai, Abu Dhabi, and Doha.

The logistics breakdown is affecting Chinese cross-border sellers serving platforms such as Amazon and Noon. Some merchants who pre-stocked warehouses ahead of Ramadan say sales and fulfillment remain normal for now, but warn that if the conflict lasts more than a month, replenishment channels could be cut off. Logistics costs are also rising as reduced flight capacity pushes up airfreight prices and shipping companies adjust routes. FedEx has suspended pickup and delivery services in Bahrain, Iraq, the UAE, Kuwait, and Qatar due to airspace closures and safety concerns, while UPS warned of service interruption risks.

If maritime disruptions persist, the conflict could expose structural vulnerabilities in China–Middle East e-commerce supply chains, particularly Chinese companies' heavy reliance on the Strait of Hormuz and regional aviation hubs during peak retail seasons.

China–Sweden direct flights to reach record high this summer

On 22 June, China Eastern Airlines will resume its direct route between Shanghai Pudong Airport and Stockholm after a suspension since 2020, operating three round-trip flights per week using Airbus A330 aircrafts. At the same time, Air China will significantly increase service on its Beijing Capital Airport–Stockholm route. Air China flights will rise to daily service

after the late-March seasonal schedule change, increase to 11 weekly flights in early June, and reach 14 weekly flights during the July–August summer peak season. With these additional flights, direct flights between China and Sweden are expected to reach a historic high in summer 2026.

The route expansion reflects growing travel demand between the two countries. According to the Swedish Agency for Economic and Regional Growth, Chinese leisure and business travelers generated a 45.2% y/y increase in hotel stays in Sweden in 2025, with more than half of those stays occurring in Stockholm and the remainder largely in Gothenburg.

The rapid expansion of direct air connectivity between China and Sweden signals a strong rebound in China–Europe travel demand and highlights China's growing economic links with the Nordic region.

Coming Up Next:

China and US to hold sixth round of economic and trade consultations in France ahead of Trump's Beijing visit

On 13 March, the Chinese commerce ministry (MofCom) announced that China and the US will hold a new round of economic and trade consultations from 14–17 March in France. Chinese Vice Premier He Lifeng will lead the Chinese delegation to the talks. The new round of trade talks will take place prior to US President Donald Trump's 31 March state visit to China. Results of the trade talks will shape the content of the leaders' later summit, and will likely also determine whether Trump's China visit will materialize or not.