

Chinese Import Penetration in EU Markets in 5 Sensitive Sectors

Benchmarked against other foreign suppliers to the European Union

Simon J. Evenett, 12 October 2026

In their non-paper¹ of 5 October 2026, the French and German governments made the following contention.

"As a matter of fact, a massive industrial shock is affecting sectors at the heart of the European industrial model and of systemic relevance [pharmaceuticals, aerospace, automotive, machine tools, chemicals, etc]."

No data supporting this claim were provided in either the non-paper or the accompanying letter to the President of the European Commission. In addition to the claimed "shock" this remark usefully identifies 5 sectors seen by European policymakers as core to their industrial model.

The context for the Franco-German contention is growing concern about a "China Shock 2.0". It has been claimed that exports from China to the European Union have risen significantly, often at the expense of both domestic production and the market share of third-country suppliers.

To put key trade-related facts on the table, I assembled information on import volumes and import prices for products in each of the five sectors mentioned above, drawing on the well-regarded Trade Data Monitor database (which in turn compiles the customs house reports of EU Member States).

I identified relevant products in the European Union's 2025 PRODCOM [list](#), using their NACE industry classifications to define chemicals, pharmaceuticals, automotive, aerospace and machine tools. I linked those PRODCOM products to eight-digit Combined Nomenclature codes, then identified corresponding six-digit HS 2022 codes.

Standard methods were used to construct import volume and import price indices (so-called Törnqvist indices) for shipments from China to the European Union from 2023 onwards. The import

price indices are unit-value indices. Throughout, intra-EU trade was excluded from the calculations.

To benchmark Chinese export dynamics, I also computed import volume and import price indices for exports to the 27 EU Member States from non-Chinese suppliers outside the EU.² This enables readers to see whether the aggregate pricing dynamics of third-country suppliers are aligned with those of Chinese firms or depart from them, and whether their market shares are moving in different directions. Divergences in pricing and volume outcomes between Chinese and non-Chinese suppliers could support arguments of Chinese exceptionalism.

This evidence can be replicated by those with access to the Trade Data Monitor database.

Data on each of the five sectors mentioned above are reported on separate pages in what follows. In four sectors a small number of outlier HS product codes have been removed and the effect of doing so is shown by comparing the solid and dotted lines. At the top of each page is a short summary of the import dynamics (both volume and unit-value/price) affecting the sector in question.

The evidence should be of interest to corporate executives in these five sectors, to officials in national governments (including the Chinese government) and the European Commission, to trade policy and industry analysts, and to journalists and media commentators.

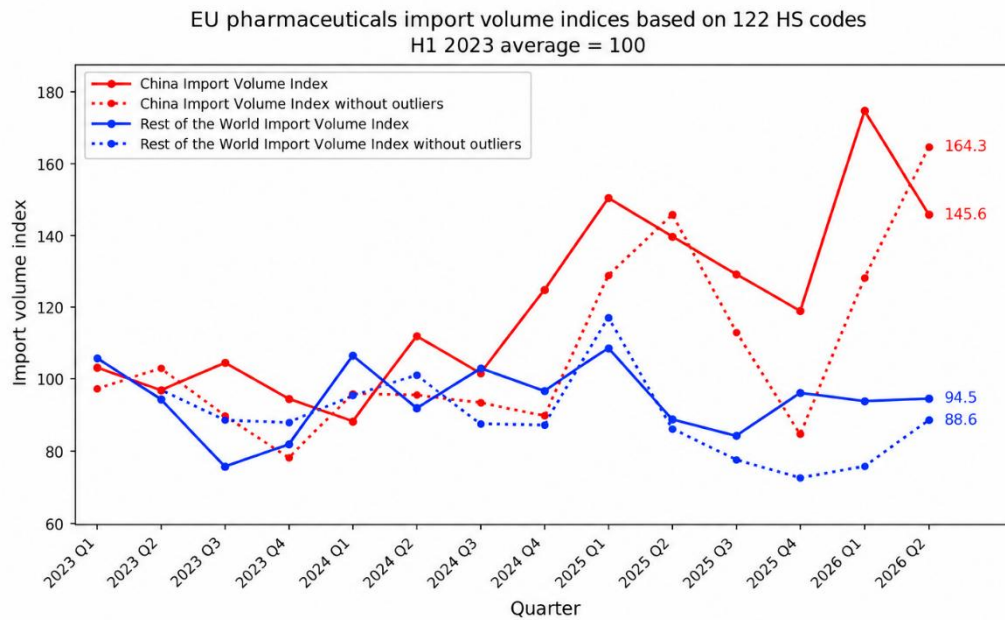
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¹ To the best of my knowledge, this text has not yet been posted on an official website. Politico posted a version of this paper [here](#).

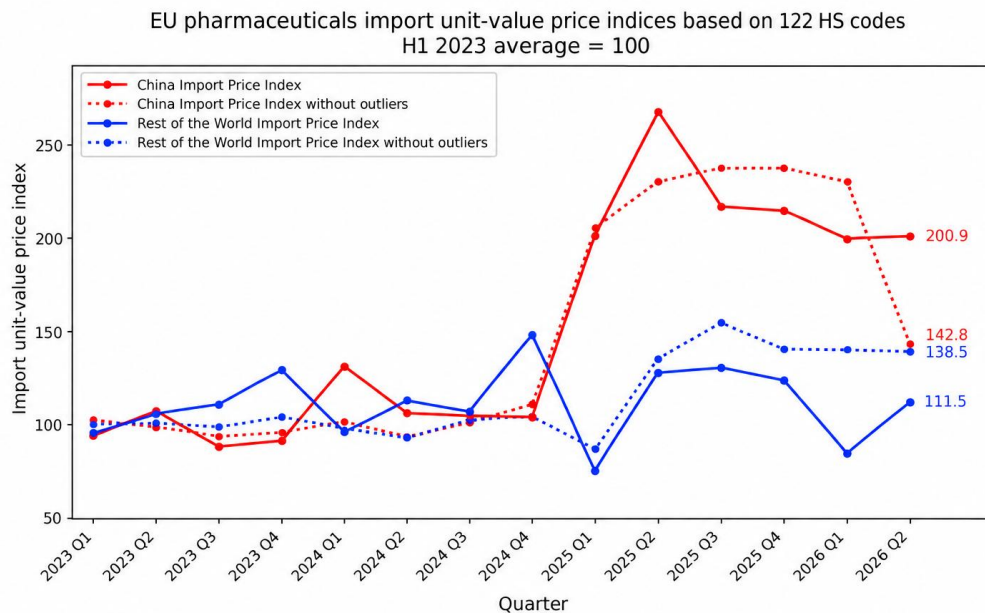
² The extra-EU indices are weighted by China's product mix so that changes in Chinese and rival imports are compared on a strictly comparable basis, rather than reflecting differences in product composition.

Pharmaceuticals

EU pharmaceutical import volumes from China rose much faster than those from other extra-EU suppliers, particularly from 2025. Chinese unit values also increased suggested little/no dumping. However, removing one influential HS code reduces this price divergence substantially. The evidence points to exceptional Chinese volume growth, but not price undercutting and reduction of sourcing from non-Chinese suppliers.



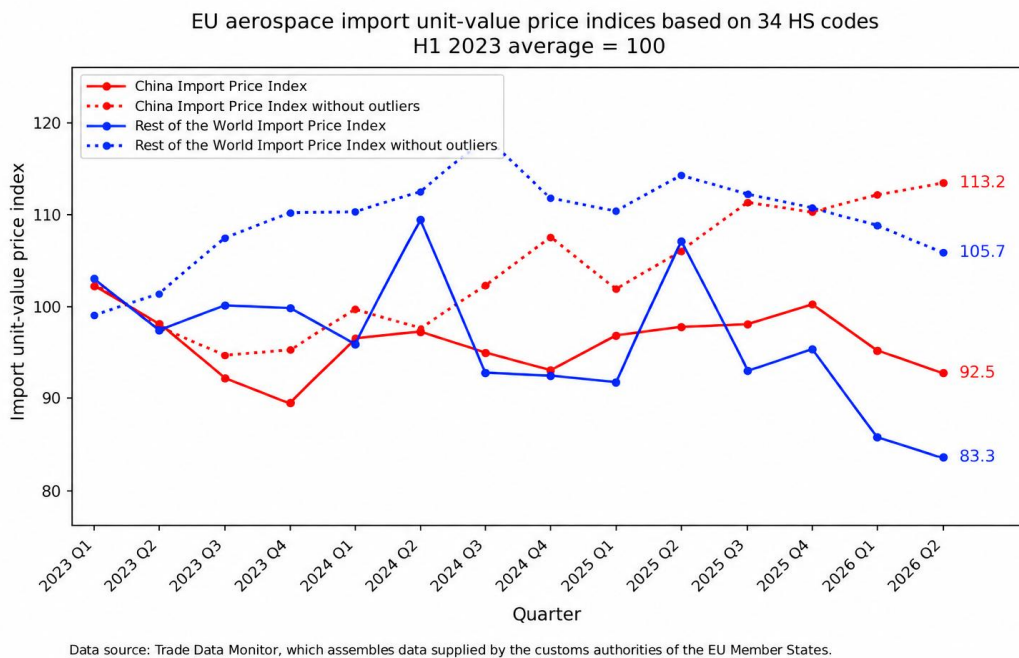
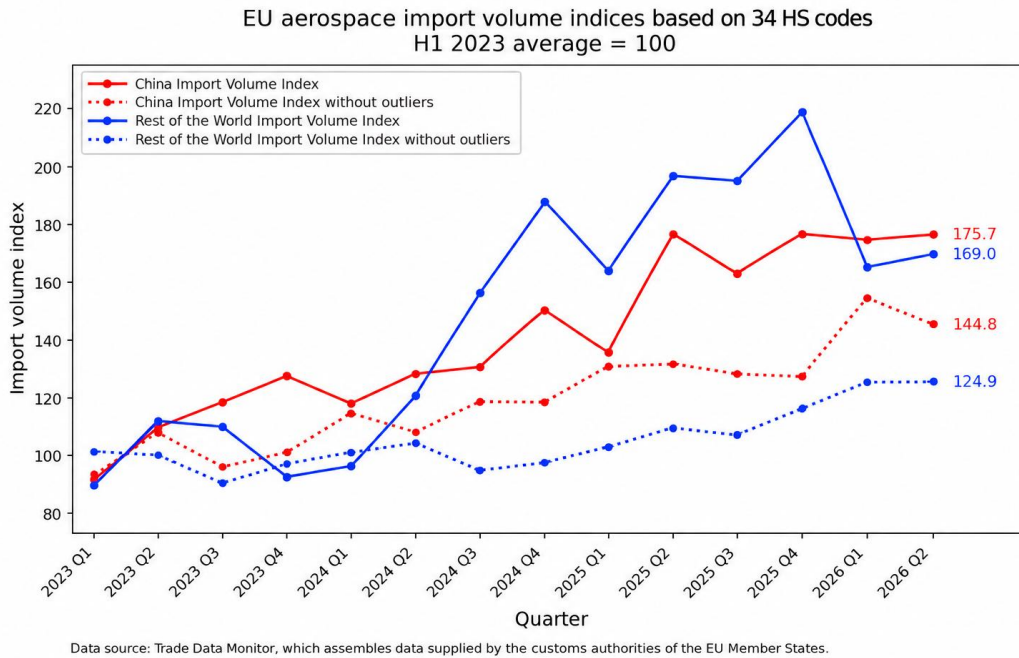
Data source: Trade Data Monitor, which assembles data supplied by the customs authorities of the EU Member States.



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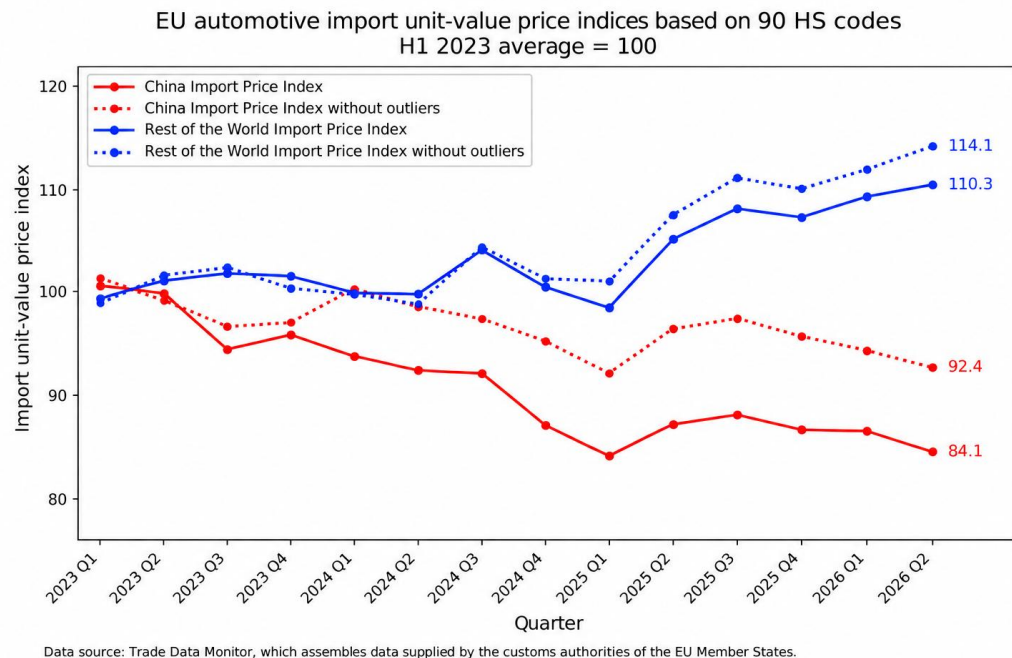
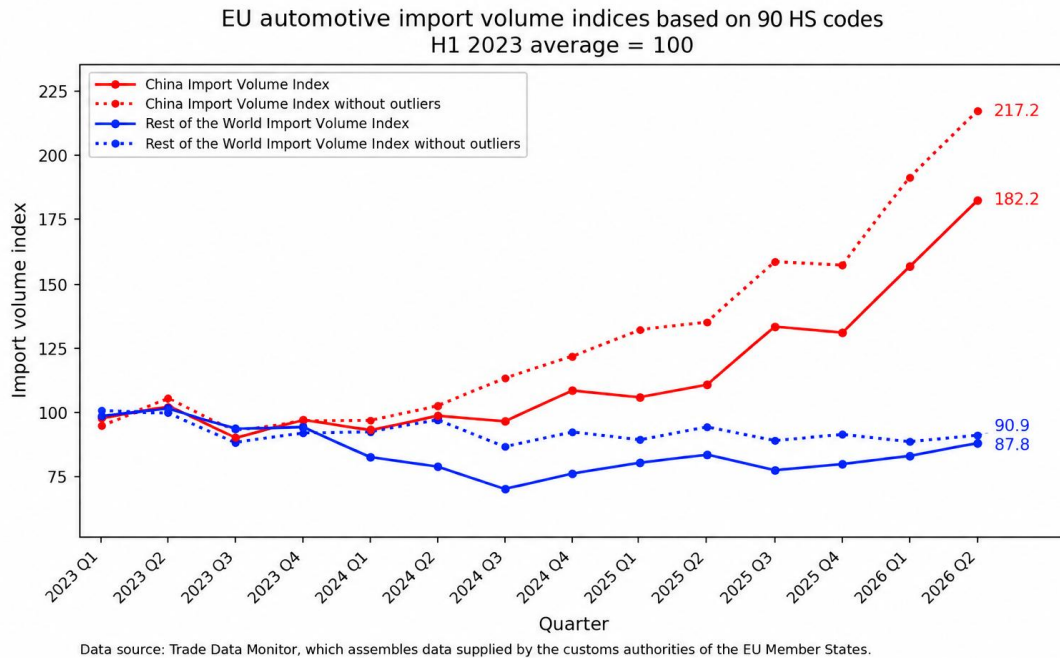
Aerospace

Volumes from China and other extra-EU suppliers both rose strongly. China's lead widens when four influential HS codes are excluded, although this removes almost half of trade recorded in 2025. Unfiltered unit values fell for both groups, more for China's rivals. After exclusions, both saw rising unit pricing (suggesting aggregate sector evidence is highly influenced by a small number of products). With or without outliers, there is no robust pattern of Chinese price undercutting.



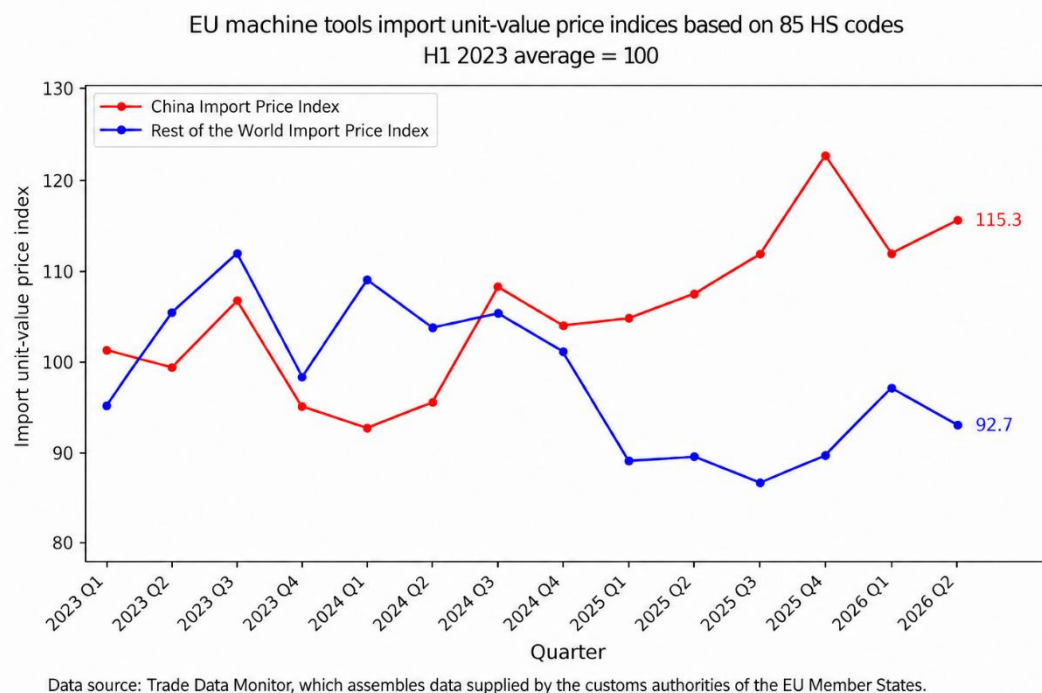
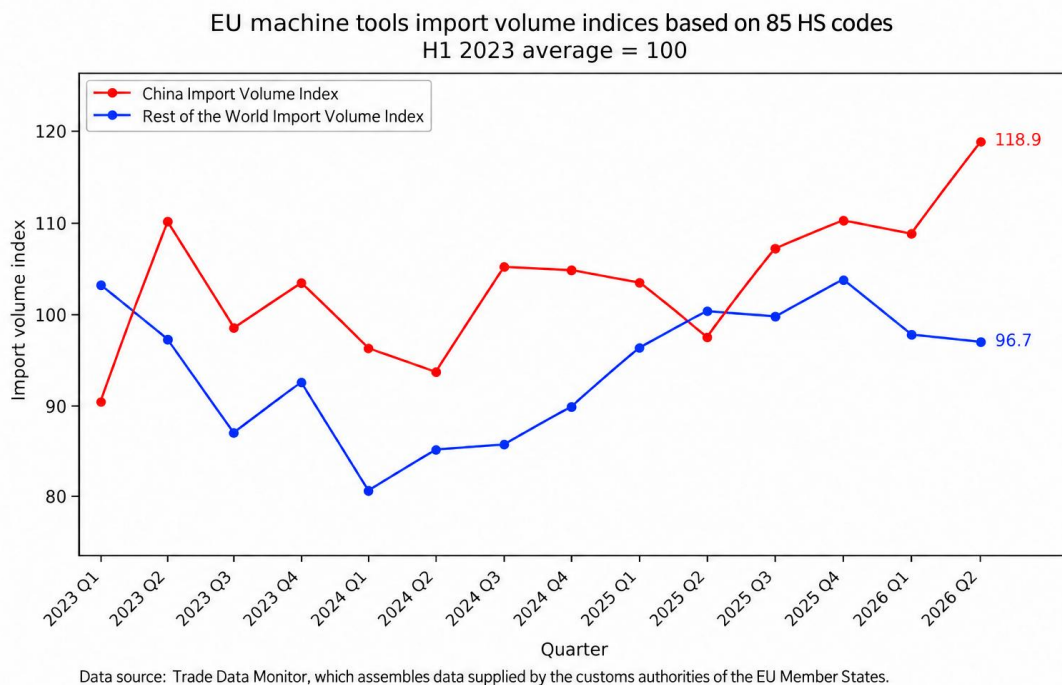
Automotive

EU automotive import volumes from China surged while volumes from other extra-EU suppliers declined around 10% since the start of 2023. Chinese unit values fell as rival unit values rose. These contrasting trends persist after the most influential HS code is excluded. Automotive offers the clearest evidence of exceptional Chinese volume growth accompanied by falling relative Chinese prices. Yet rivals still raised prices.



Machine tools

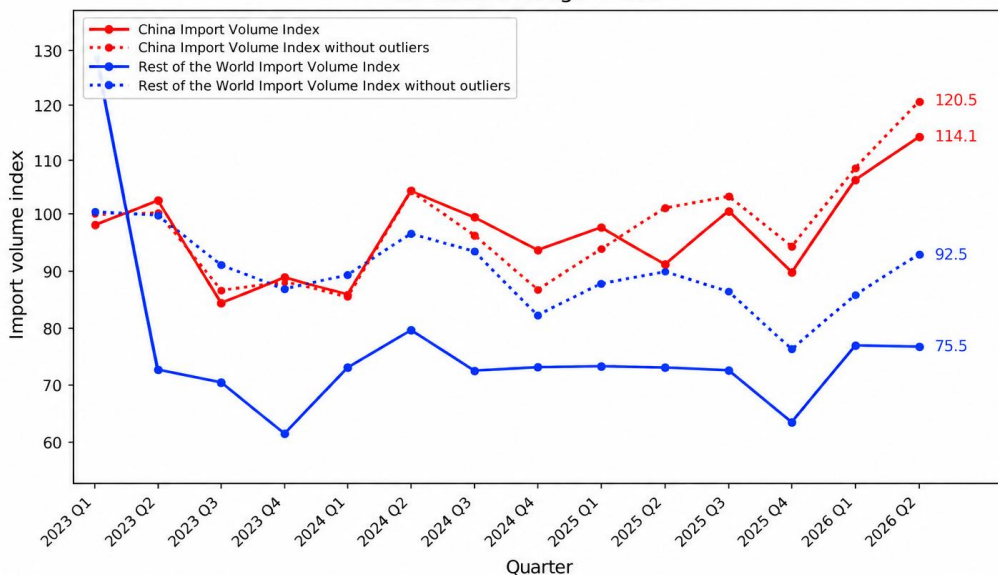
EU machine-tool import volumes from China rose moderately, while volumes from other extra-EU suppliers edged down. At the same time Chinese unit values/average prices increased, whereas rival unit values fell. This is the opposite of a price undercutting strategy. China boosted both volume and prices. No HS code meets our influence-based outlier exclusion criterion.



Chemicals

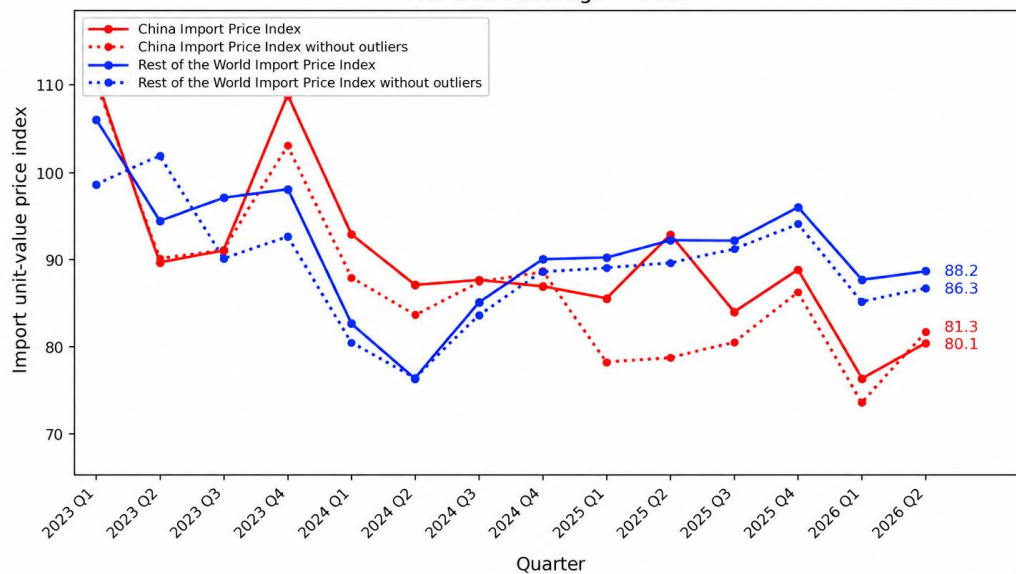
Chemical import volumes from China rose moderately while those from other extra-EU suppliers fell by more. This divergence narrows when one influential HS code is removed. Unit values declined for both groups, somewhat more for China especially from the start of 2025. These results suggest increased Chinese import penetration and a relative price decline, but the volume contrast is sensitive to product composition.

EU chemicals import volume indices based on 906 HS codes
H1 2023 average = 100



Data source: Trade Data Monitor, which assembles data supplied by the customs authorities of the EU Member States.

EU chemicals import unit-value price indices based on 906 HS codes
H1 2023 average = 100



Data source: Trade Data Monitor, which assembles data supplied by the customs authorities of the EU Member States.