ITIF | INFORMATION TECHNOLOGY & INNOVATION FOUNDATION
HAMILTON CENTER ON INDUSTRIAL STRATEGY

The Global Trade Battleground: US-China Competition in the Global South

RODRIGO BALBONTIN | APRIL 2026

Countries in the Global South are key markets for Chinese and U.S.-allied national power industries, which require scale economies to flourish. U.S. policymakers should stop viewing them as a "backyard" and recognize that they are a key battlefield in an industrial war.

KEY TAKEAWAYS

- Since 2000, Global South import shares have shifted sharply: China has experienced a growth of over 21 percentage points and the United States a decline of 10 percentage points—and the gap is even larger in national economic power goods.
- Exports of Chinese goods to the Global South increased more than 39 times between 2000 and 2024, while exports from the United States during the same period increased by roughly two times.
- The displacement is most pronounced in strategic sectors—telecom equipment, electrical machinery, vehicles, and pharma/chemicals—where scale and learning curves determine which countries and their companies stay on the frontier.
- Chinese firms are translating export scale into on-the-ground market share dominance: subsidized pricing and fast expansion are driving rapid sales growth across consumer goods and appliances in key emerging markets.
- China's outward push is not accidental: state-directed investment and infrastructure deals in emerging markets expand Chinese firms' footprint and reduce commercial space for U.S. competitors.
- The Global South is not exempt from China's predatory practices. A "Globalization 2.0" approach to the Global South should assume that America has the primary role in countering China's mercantilism and pursuing pragmatic trade.

CONTENTS

National Power Industry Series

This report is part of a series on China's predatory industrial strategies; their impact on U.S. technological leadership; and how to avoid losing U.S. and allied capabilities in advanced industries that undergird national power. For more, see: itif.org/power-industries.

INTRODUCTION

The Global South—defined as developing countries outside Europe and not considered U.S. foreign adversaries—is at the front line of the U.S./allied-China techno-industrial war. The People's Republic of China (PRC) is a power trader, with historical parallels to Germany's late-19th-century strategy—focusing on inducing trade dependencies and using trade to gain a competitive advantage for its advanced industries, all in an effort to limit the development of its adversaries.[1] America needs to respond by expanding its competitiveness in national power industries—sectors that are strategic to U.S. techno-economic leadership, encompassing defense, dual-use, and enabling industries.[2]

National power industries such as semiconductors and pharmaceuticals are capital intensive. They need the revenues derived from scale to offset the intensive initial investments in research and development (R&D) and to gain revenues to reinvest in future generations of innovation. The Information Technology and Innovation Foundation (ITIF) has explained that "the first chip of a new generation is extraordinarily expensive because of the scale of R&D involved. Producing subsequent chips is far cheaper, as only material and labor costs remain. As a result, fixed costs in these industries are extremely high, while marginal costs are low."[3]

While, in 2020, U.S. exports to developing economies were more than six times China's, by 2024, they were 56 percent of China's—this gap is exacerbated when analyzing only national power exports.

This report examines the United States's and China's trade, investment, and sales in the Global South through a techno-economic lens. Access to developing economies matters so companies can reach scale—and China's exports, sales, and investments are growing in these markets relative to those of the United States. The Global South—excluding China—represents 5.2 billion people and 34 percent of the world's economy, and that share is expected to grow to 45 percent by 2050.

While, in 2020, U.S. exports to developing economies were more than six times China's, by 2024, they were 56 percent of China's—this gap is exacerbated when analyzing only national economic power exports. Chinese products in manufactured consumer goods, automobiles, and telecommunications equipment are dominating Global South markets. Lastly, while total foreign direct investment (FDI) from China and the United States to emerging economies over the last 15 years is similar in aggregate terms, Chinese state-supported infrastructure investment has surpassed U.S. federal support by a factor of 10.

China's push to dominate advanced industries follows a familiar playbook.[4] It starts by attracting foreign investment and pulling multinational firms up the value chain inside China. These investments—coupled with forced technology transfer—enable learning from knowledge new to the country, leading to a shift toward a "China Inc." development model focused on indigenous innovation. Over time, those firms become independent innovators, and foreign firms' influence—and access—shrinks. The final stage is outward: once Chinese firms have won at home, the state helps them scale globally, capture market share, and set the terms of competition. In that sense, the international expansion of China's domestic champions is not a side effect of industrial policy; it is the very culmination of the strategy.

In that context, the remainder of this report describes China's international expansion in the Global South. First, it defines what is understood as the "Global South." Later, the report describes China's expansion in emerging markets through trade, investment, and sales and compares it with the United States. The report concludes by outlining how the United States can "win back" the Global South—namely, by shifting toward a "Globalization 2.0" framework.

THE CONCEPT OF THE GLOBAL SOUTH

There are many definitions of the "Global South" or "developing economies," none of which are uncontroversial. High-income countries—such as Australia, France, and the United States—are clearly excluded from this group, while lower-middle-income Sub-Saharan African economies, such as Kenya and Nigeria, are evidently part of the Global South.

Multilateral organizations have multiple definitions. The World Trade Organization's (WTO's) self-classification is perhaps a more problematic definition for a developing country, since each country can define itself in order to access preferential trade schemes—according to WTO criteria, rich countries such as Israel, Singapore, and South Korea are considered "developing economies."[5] In contrast, the World Bank's country categorization by income level is a better proxy for identifying Global South countries by excluding high-income economies; however, under this criterion, some European economies, such as Albania, North Macedonia, and Serbia, would be part of the Global South, and some Latin American countries, such as Chile, Costa Rica, and Uruguay, would fall outside this scope.[6] Likewise, countries that are not members of the Organization for Economic Co-operation and Development (OECD)—a group of mostly rich countries—are insufficient, as nations such as Argentina, Brazil, Indonesia, and Thailand are officially in the OECD accession process.[7]

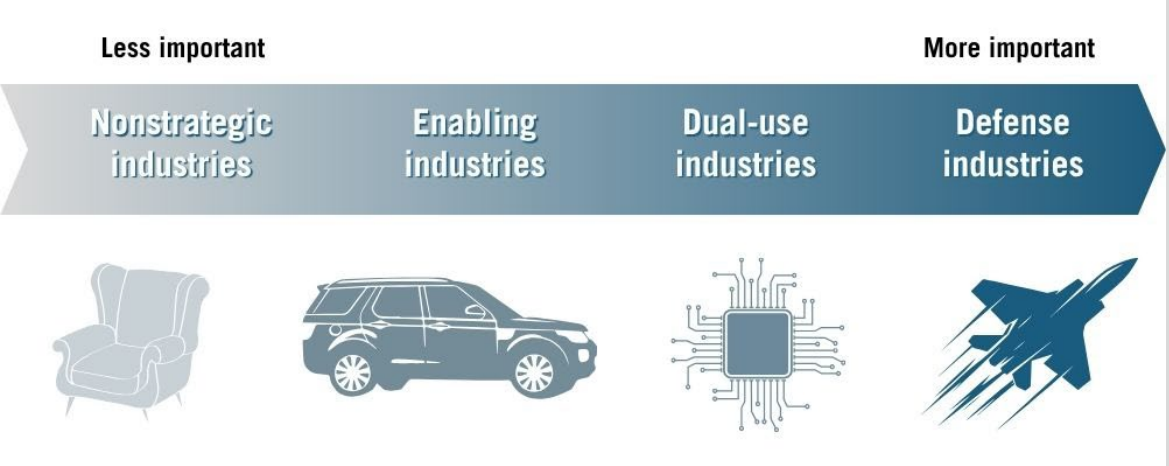
China sees itself as part of the Global South. As Xi Jinping stated, "China will always be a member of the Global South, a reliable long-term partner of fellow developing countries, and a doer and go-getter working for the cause of global development."

Box 1: Defining National Economic Power Industries

The conventional view is that the only industries that matter to national power are defense industries. But that is now vastly too limiting. As Corelli Barnett, wrote, "For munitions production for modern war is not primarily a question of specialized armament industries, as some suppose, but of all those varied industrial and scientific resources that in peacetime make for a successful and expanding export trade."[8] As such, ITIF has developed a classification of U.S. industries for their relevance to national power. This can be viewed as a continuum between defense industries on one side and nonstrategic industries on the other, with strategic industries and strategic enabling industries in the middle. (See figure 1.)

At one end of the continuum are defense industries. Clearly, industries such as ammunition, guided missiles, military aircraft and ships, tanks, drones, defense satellites, and others are strategic. Not having world-class innovation and production capabilities in these industries means a weakened military capability. Policymakers across the aisle generally (with the exception of the isolationist Right and the pacifist Left) agree that these industries are strategic and that market forces alone will not produce the needed results.

Figure 1: Industrial power scale



At the other end of the spectrum are industries in which the United States has no real strategic interests. These include furniture, coffee and tea manufacturing, bicycles, carpet and rug mills, window and door production, plastic bottle manufacturing, wind turbine production, lawn and garden equipment, sporting goods, jewelry, caskets, toys, toiletries, running shoes, etc. If worst came to worst and our adversaries (e.g., China) gained dominance in any of these industries and decided to cut America off, we'd survive—in part, because none of these are critical to the running of the U.S. economy, as many are final goods that might inconvenience consumers but wouldn't cripple any industries, and also because, in most cases, domestic production could be started or expanded relatively easily because none of these products are all that technological complex from either a product or process concern and the barriers to entry are relatively low.

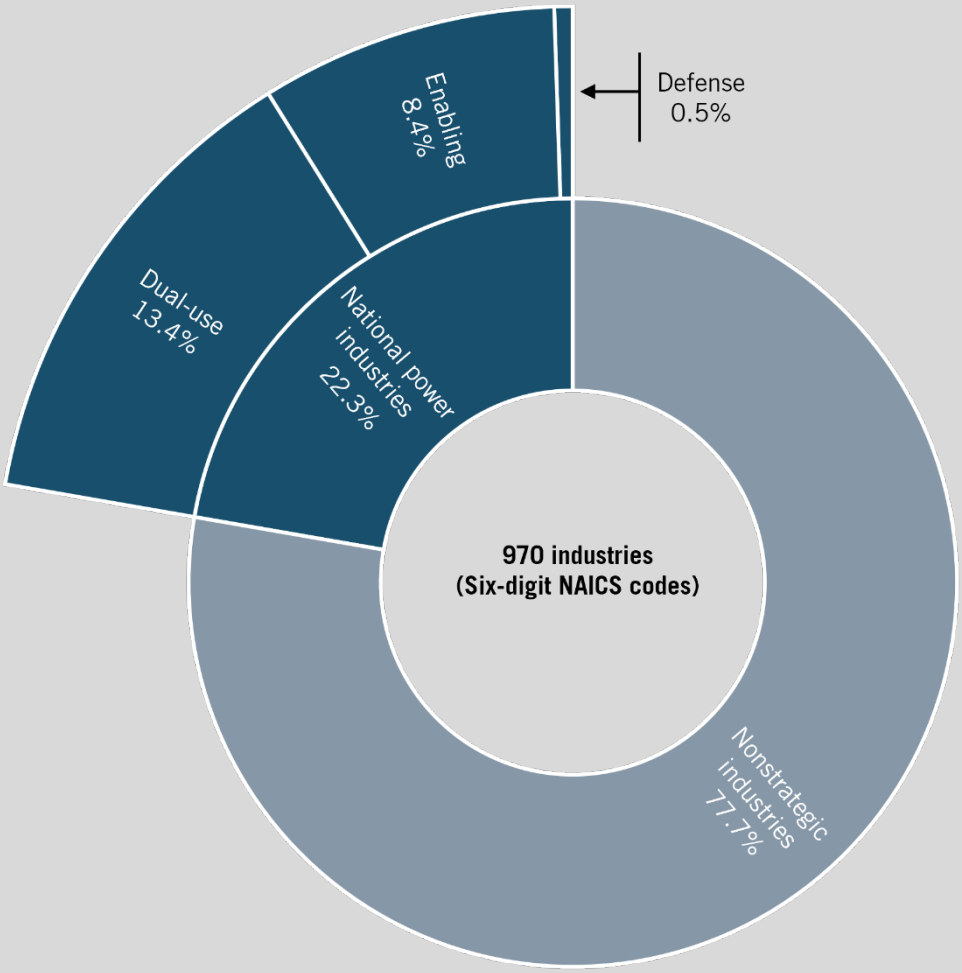
Next to defense industries, dual-use industries are critical to American strength. Losing aerospace, pharmaceuticals, chemicals, semiconductors, displays, advanced software, fiber optic cable, telecom equipment, machine tools, motors, measuring devices, and other dual-use sectors would give our adversaries incredible leverage over America. Just the threat to cut these off (assuming that they have also deindustrialized our allies in these sectors) would immediately bring U.S. policymakers to the bargaining table. National power industries also tend to need a global scale to operate. Moreover, many are intermediate goods such as semiconductors and chemicals, where a cutoff would cripple many other industries. Finally, these industries are hard to stand up once they're lost because of the complexity of their production processes, the product knowledge required, and the importance of the industrial commons that support them. In other words, barriers to entry are high, and if lost, they would be very difficult and expensive to reconstitute.

Finally, there are enabling industries. These are industries wherein, if the United States were cut off, the immediate effects on military readiness would be small and the U.S. economy could survive for at least a while without production. America could survive for many years without an auto sector, as we would all just drive cars longer. But because of the nature of these industries—including technology development, process innovation, skills, and supporting institutions—their loss would harm both dual-use and defense industries. That is because enabling industries contribute to the industrial commons that support dual-use defense industries. A severely weakened motor vehicle sector would weaken the tank and military vehicle ecosystem. Similarly, a weakened commercial shipbuilding sector has weakened military shipbuilding. A weakened consumer electronics sector weakens military electronics.

As part of enabling industries is a core set of industries that make up the "industrial commons"—sometimes called the "mother industries." These include machine tools and dies, metal and alloy fabrication, injection molding, electronic packaging, and specialty chemicals and are core to converting lab technologies into commercial products, building new supply chains, and scaling up U.S. production capacity. And the United States has lost them substantially. They also seem to be in the blind spot of both policymakers and capital investors because they are not the new shiny toy.

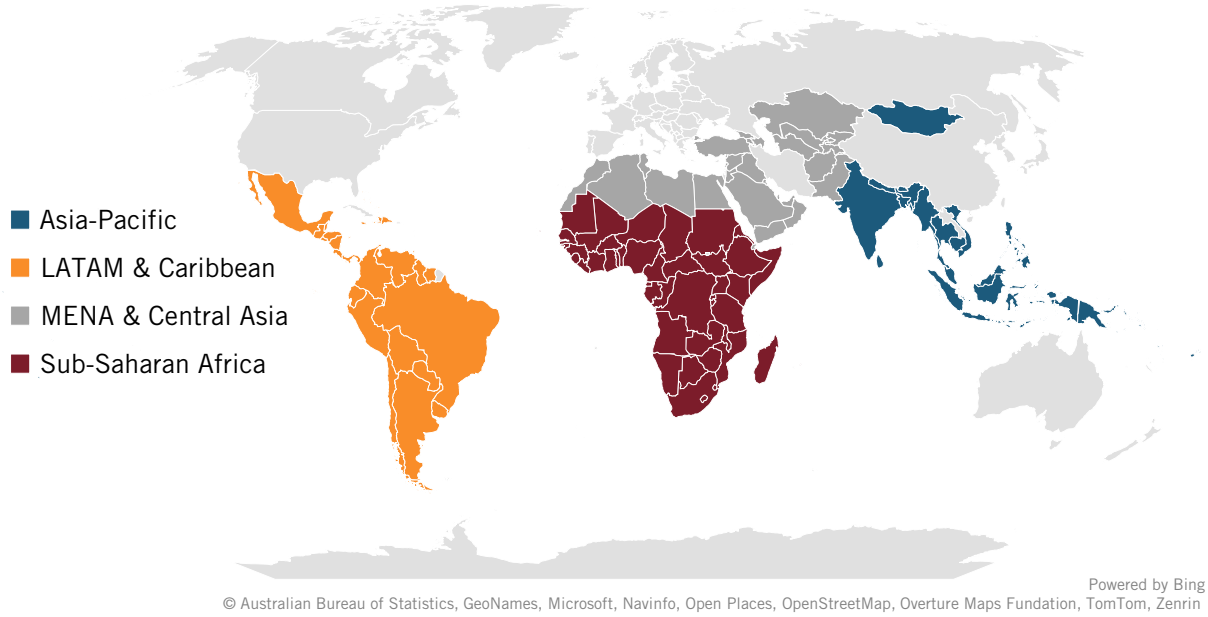
ITIF has put the 970 industries classified by the North American Industry Classification System (NAICS) codes into the four categories.[9] Power industries account for 22.3 percent of the industries. (See figure 2.) Most industries are not power industries, in large part because most are nontraded sectors such as law firms and barber shops. Of the 22.3 percent that are power industries, just 0.5 percent are defense industries, and 13.4 percent are dual use. The remaining 8.4 percent are enabling industries. In terms of employment, in 2022, just 9.5 percent of workers were employed in power industries. Of this, 6.4 percent worked in dual-use industries and 2.9 percent in enabling industries, with just 0.2 percent employed in defense industries.

Figure 2: Breakdown of six-digit NAICS industries according to ITIF's national power industry typology



Global South countries—for the purposes of this study—are understood as developing countries outside Europe and not considered U.S. foreign adversaries. This report uses the International Monetary Fund's (IMF's) characterization of "emerging and developing economies" to identify the Global South. The IMF list includes countries out of the scope of this report.[10] The PRC was excluded from this group, as it is one of the countries analyzed in the techno-economic competition. The European countries on the list—Albania, Belarus, Bosnia and Herzegovina, Hungary, Kosovo, Moldova, Montenegro, North Macedonia, Serbia, and Ukraine—are also excluded. Since American firms have limited ability to compete in adversarial countries, this report also excludes countries on the U.S. Department of State's list of foreign adversaries: Cuba, Iran, North Korea, and Russia.[11] Thus, this report considers 139 countries as part of the so-called Global South, which covers 5.2 billion people, or 64 percent of the world's population.[12] (See figure 3 and appendix 2.) The analysis indistinctly refers to this group of countries as "Global South," "developing economies," and "third markets."

Figure 3: Global South countries covered in this report, by region



China sees itself as part of the Global South. As Xi Jinping stated during the 2024 G20 Summit, "China will always be a member of the Global South, a reliable long-term partner of fellow developing countries, and a doer and go-getter working for the cause of global development."[13] The expansion of China's scientific and technological cooperation with countries in the Global South is a priority for the PRC. For example, in March 2025, Foreign Minister Wang Yi called for giving "priority to scientific and technological capacity-building of the Global South."[14] This cooperation is often framed as "South-South," a narrative that allows China to differentiate itself from Western initiatives and present China as an example of development—exemplifying how the Chinese model, in its view, constitutes a successful development pathway.[15]

The PRC's approach to the Global South has been to both serve as the convenor of this group of nations and openly oppose the United States, which is framed as a unilateral world hegemon. Under the veil of "South-South cooperation," China has pursued some of its flagship foreign

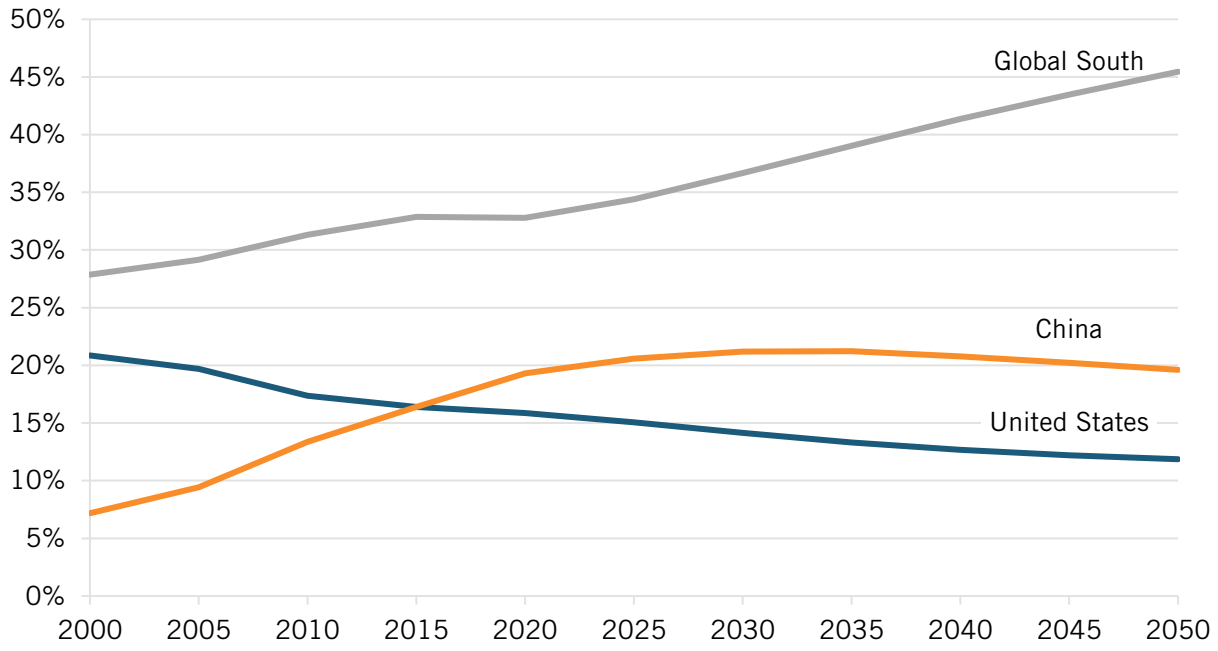
policy initiatives. The diplomatic vision promoted by the PRC is under the "Global Community of Shared Future" vision (also called "Common Destiny").[16] The messaging is not subtle, as it attempts to insert China among developing countries, opposing Western democratic values, and seeing jurisdictions—not individuals—as equals: "With their interests intertwined and futures interlocked, countries are turning into a community of shared future. Such a vision rises above the exclusive rules of bloc politics, the notion of might makes right, and the 'universal values' defined by a handful of Western countries."[17] Under this vision, China created the Belt and Road Initiative (BRI)—an investment and loan program discussed in further sections of this report.

Another relevant diplomatic venue is BRICS—a group that started with Brazil, Russia, India, China, and South Africa in 2010, and with Argentina (which withdrew its membership), Egypt, Ethiopia, Iran, Saudi Arabia, and the UAE added in 2024—is a loose, informal grouping of countries pursuing a shared global agenda that opposes Western multilateralism.[18] Within the BRICS, there have been scattered attempts to create funding mechanisms outside the scope of multilateral financial organizations and to encourage the use of a currency other than the U.S. dollar.[19] For example, attempts such as the "Buy in the BRICS" initiative signal a willingness to promote trade among BRICS members.[20] Other—even more egregious—views cast China and BRICS as an inflection point for developing countries, particularly in Sub-Saharan Africa, helping to prevent them from being "looted" by Western economies.[21] As this report shows, while Chinese investment is notable in Africa, it does not alter the extractive approach other global powers have taken toward the continent. Finally, paradoxically, the term "BRICS" was coined by an American Goldman Sachs economist in 2001.[22]

In terms of foreign aid to countries in the Global South, China has disbursed significantly more resources than the United States has. A *Foreign Affairs* article states, "Between 2000 and 2021, China extended about $68 billion per year in overseas development financing. The U.S. average over this period, by contrast, was about $39 billion per year."[23] The article, published in December 2025, argues that there are clear patterns distinguishing Chinese and American foreign aid—at least as observed by the now-extinct USAID. First, China seems to allocate more funds to countries that chair relevant multilateral or regional venues, such as the ASEAN (Association of Southeast Asian Nations) annual Chairmanship. Second, nearly all aid is government to government rather than being implemented in coordination with civil society or local private-sector companies, as Western aid traditionally has been. (ITIF has advocated for aligning development finance and foreign assistance with U.S. competitiveness and strategic interests.[24])

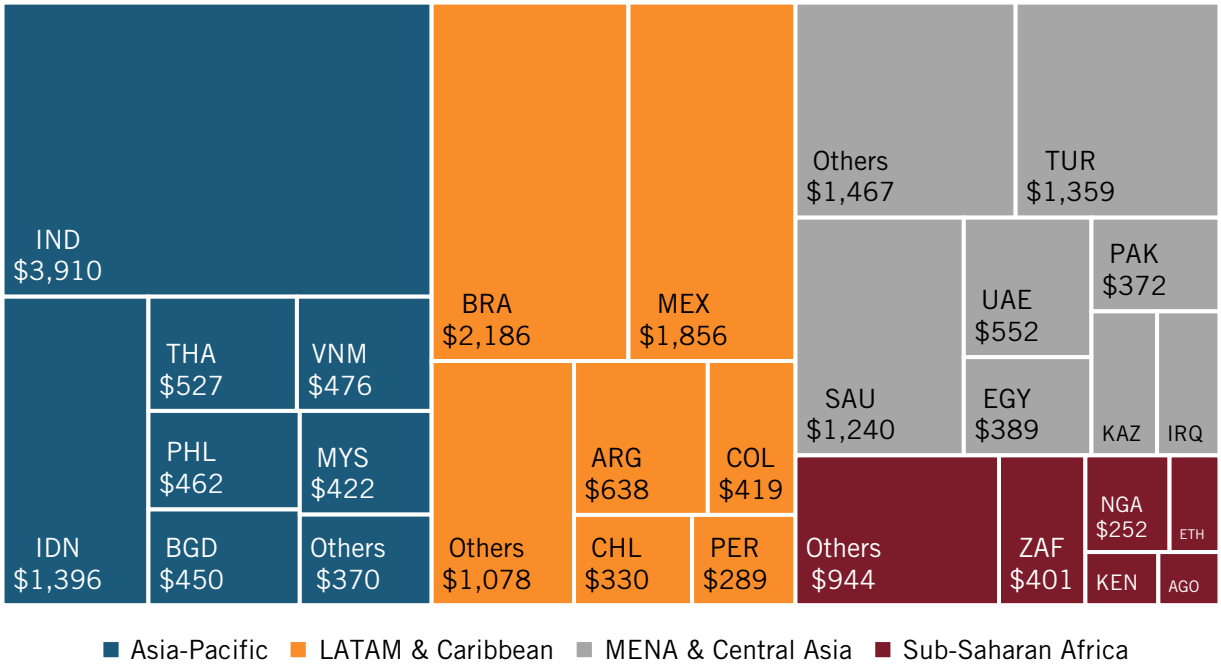
Global South countries accounted for 34 percent of the world's gross domestic product (GDP) in 2025, measured in purchasing power parity (PPP)—compared with 15 percent for the United States and 21 percent for China. It is projected that Global South countries will account for 45 percent of the world's economy by 2050, while the United States' share will fall to 11 percent and China's share will peak in the 2030s. (See figure 4.) China's economy as a share of the global economy has increased over 14 percentage points since 2000. ITIF has a vast repository of research both demonstrating that much of this growth has resulted from China's innovation mercantilism and describing the techno-economic consequences of this.[25]

Figure 4: GDP by country category as a share of the world economy, 2000–2050 (PPP)[26]



Countries in Asia and the Pacific account for 35 percent of the Global South's total economy, while Latin America accounts for 30 percent, the Middle East and North Africa (MENA) and Central Asia for 26 percent, and Sub-Saharan Africa for 9 percent. The five-largest economies of the Global South—Brazil, India, Indonesia, Mexico, and Turkey—account for 42 percent of the Global South's population and 47 percent of its economy. Figure 5 shows the share of the main Global South economies by region.

Figure 5: Global South countries by region and GDP, 2024 (billions of current USD)[27]



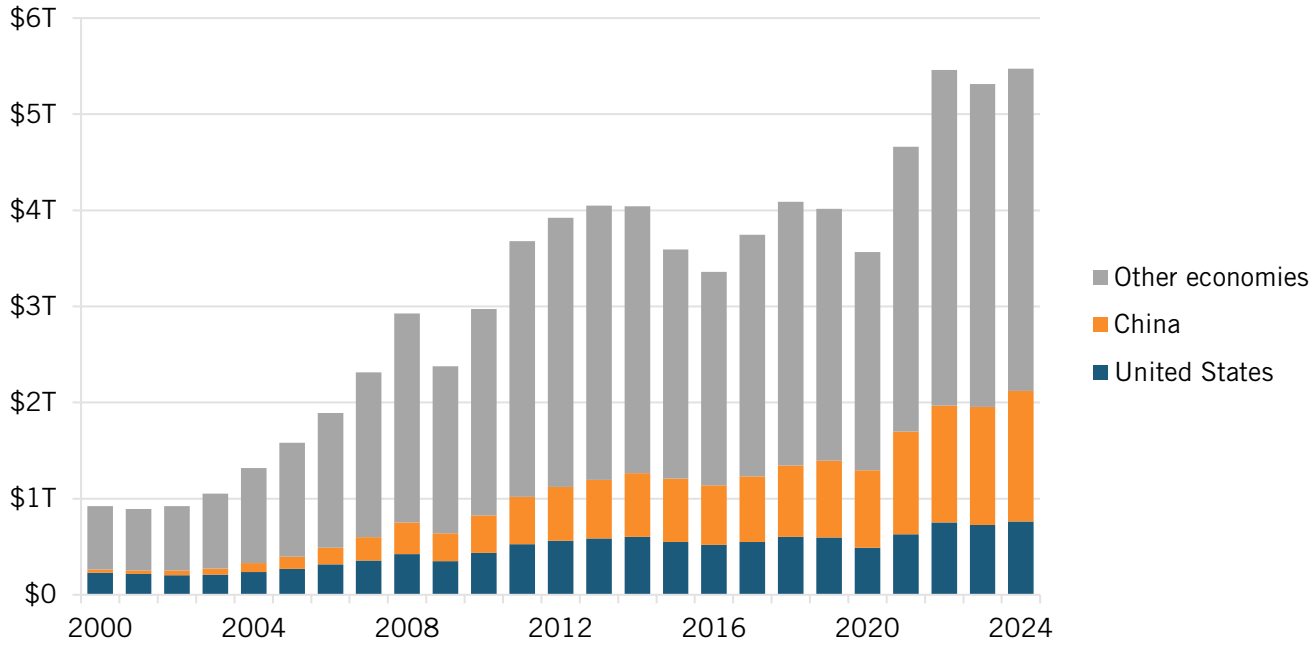
TWO DECADES OF AMERICA'S DECLINE AND CHINA'S GROWTH IN NATIONAL POWER EXPORTS TO GLOBAL SOUTH COUNTRIES

This section analyzes the share of total exports to Global South countries (i.e., the nations these countries import from), showing a sustained increase in the share of Chinese exports and a persistent decline in the share of American exports to the Global South. Chinese exports have gained share across all dimensions analyzed—total exports, exports by region, exports among the largest Global South economies, and by national economic power sectors—while American exports have experienced a decline in their share during the same period. Exports to the Global South are estimated country by country and then aggregated, considering South-South trade (e.g., total exports to South Africa include exports from Brazil or India).

Exports of Chinese goods to the Global South increased by more than 39 times between 2000 and 2024—from roughly $34 billion to over $1.3 trillion. On the other hand, exports from the United States during the same period increased by roughly over two times.

The economic growth and consequent expansion of consumption in Global South countries during the 2000s and 2010s led to an increase in total imports from these economies. By 2024, developing countries had imported over $5.4 trillion in goods, more than four times what they imported in 2000. This increase is largely explained by the lower base from which Global South countries traded in 2000, population growth, and the increasing openness to trade in certain countries during this period—notably in Latin America and Southeast Asia. China saw a larger increase in relative terms. Exports of Chinese goods to the Global South increased by more than 39 times between 2000 and 2024—from roughly $34 billion to over $1.3 trillion. On the other hand, exports from the United States during the same period increased by roughly twice, less than half of the Global South's import growth. (See figure 6.)

Figure 6: Exports from China and the United States to Global South countries, 2000–2024 (current US$)[28]



Total exports from China and the United States are relevant to analyze because they reveal several underlying aspects of great power competition. First, they indicate the exporting country's installed capacity and competitiveness relative to the trade partner. As developing economies are fast-growing markets, exporting to the Global South can secure future demand, improving returns on scale. Second, trade facilitates the adoption of technology and standards, creating path dependencies that shift costs to the importer—thereby giving the exporting country a relative advantage, since it is relatively costly to adopt a rival's technologies while also gaining market share and revenues.

Advanced industries have high fixed costs—scale is crucial for leading in these industries. Exports support these sectors' economies of scale, enabling them to generate the revenues needed to reinvest in R&D—underscoring that the race for global advantage in these industries is a zero-sum competition.[29] As this section shows, American exports to Global South markets have consistently declined over the last two decades, and the decline in strategic industries is even more pronounced. This affects America's relative power, as firms that lose market share risk falling into a death spiral in which they invest less in the future and, as a result, their subsequent products/services fall further behind competitors'.

American exports to Global South markets have consistently declined over the last two decades, and the decline in strategic industries is even more pronounced.

However, using trade data also has limitations in analyzing U.S.-China competition. First, some U.S. companies produce in China and export to countries in the Global South, so the market share of exports does not necessarily reflect the market share of companies headquartered in the same country. According to data from the U.S. Bureau of Economic Analysis (BEA), roughly 21 percent of what U.S multinational companies produce in China serves third countries—that share is more for some technology sectors, such as electrical equipment, appliances, and components (25 percent), and computers and electronics (33 percent).[30] Second, both American and Chinese companies produce in third markets—e.g., the U.S. automaker Ford and the Chinese automaker BYD have production facilities in Mexico—limiting the analysis of market share by company based solely on its headquartered jurisdiction.[31] Reshoring of production out of the headquarters country has increased for both U.S. and Chinese multinational companies in the last two decades.[32]

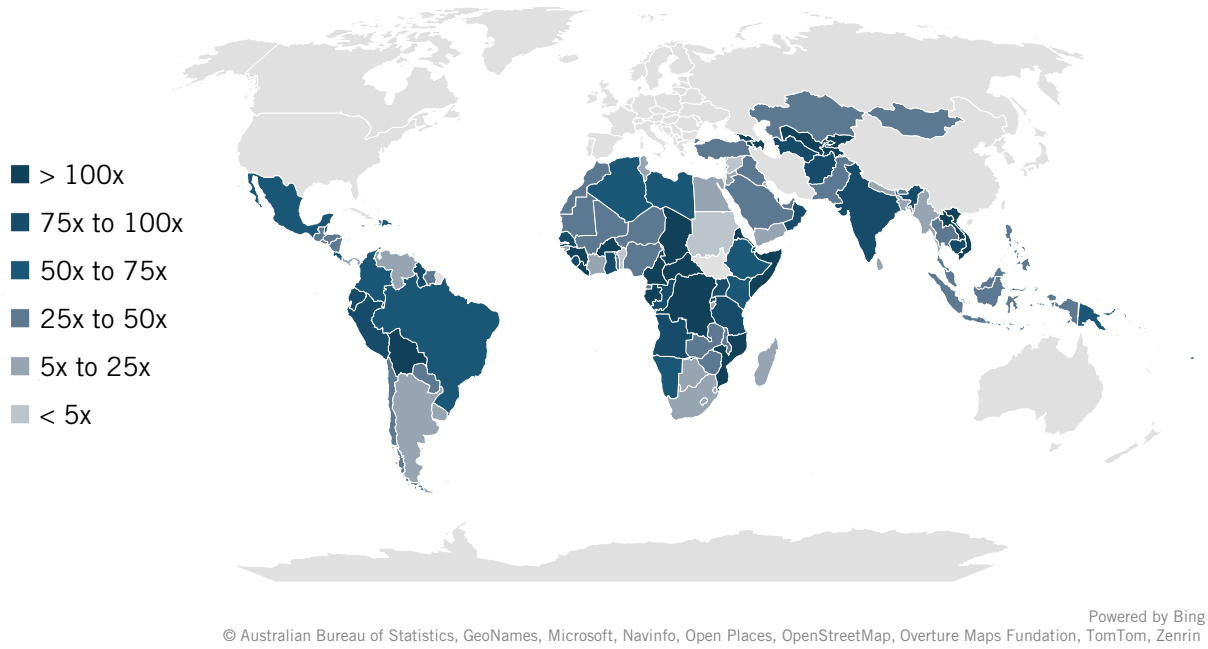
China's Export Growth and U.S. Exports' Decline to the Global South Are More Pronounced in National Power Industries

China has taken over trade relations with countries in the Global South. While, in 2000, U.S. exports to developing economies were more than six times China's, by 2024, they were only 56 percent of China's. The analysis using trade data first considers total exports—considering all products and goods from national power industries. National power industries is a categorization developed by ITIF, recognizing that the products and industries that matter in the techno-economic rivalry with China are not limited to defense industries.[33] The list of the 581 products considered as part of national power industries in this report is summarized in appendix 2.[34]

China's exports between 2000 and 2024 increased above the regional mean in nearly all Global South countries. Figure 7 shows that Chinese exports increased by at least five times during this

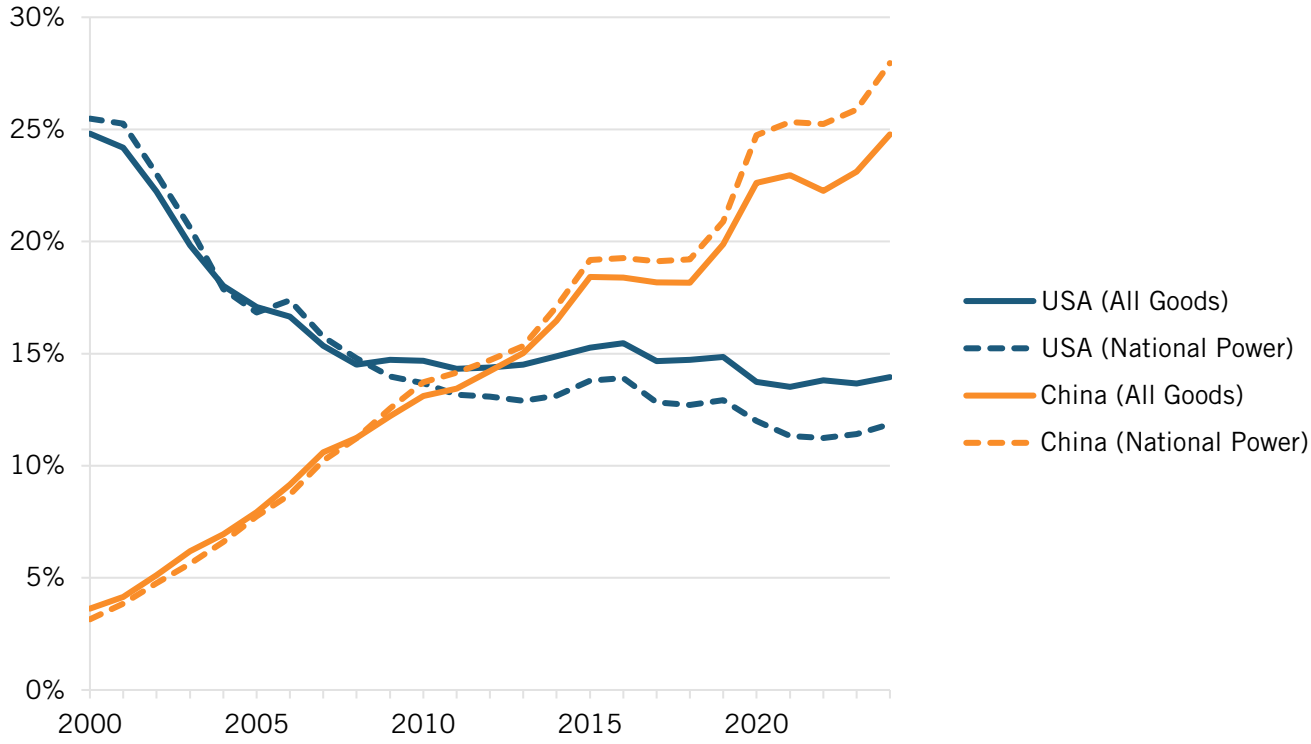
period, with the exception of Benin, Dominica, Saint Vincent and the Grenadines, Sudan, and Syria. Chinese exports increased by more than 100 times in 32 developing economies—most of them in Sub-Saharan Africa. Among the largest economies in the Global South, India and Vietnam experienced the largest increases in the influx of Chinese goods, at 77 times and 106 times, respectively.

Figure 7: Expansion of Chinese exports to Global South countries between 2000 and 2024 (1x = 100 percent)



Between 2000 and 2024, Global South countries decreased the share of their total imports from the United States—relative to total imports—by over 10 percentage points, while they increased the share of their imports from China by over 21 percentage points. The decline in the share of imports of American products and the subsequent increase in the share of imports of Chinese products by developing economies are more pronounced when only goods produced by national power industries are considered. Overall, China's exports to the Global South are 10.8 percentage points higher than the United States'. When only national power goods are considered, this gap increases to 16.1 percent. (See figure 8.)

Figure 8: Exports from China and the United States to Global South countries as a share of total exports to Global South countries, 2000–2024[35]



China Exports More Manufacturing Products and Has a Manufacturing Trade Surplus With Global South Countries

Another way to show how China has been gaining a foothold in key sectors in countries of the Global South is to compare trade in manufacturing goods with the United States. Figure 9 shows that China's exports of manufacturing goods to developing economies increased by more than 44 times, while U.S. exports increased by only 2.5 times. China's manufacturing exports to the Global South in 2024 were more than twice those of America. In addition, China's manufacturing exports to emerging markets have expanded the trade surplus with the PRC (i.e., a negative trade balance from the Global South perspective)—net manufacturing exports to the Global South were over $1 trillion for 2024. In contrast, the United States has observed a negative trade balance in manufacturing goods with developing economies, with the exception of 2008, the year of the Great Recession. (See figure 10.)

Figure 9: Total manufacturing goods exports from China and the United States to the Global South, 2000–2024 (current USD)[36]

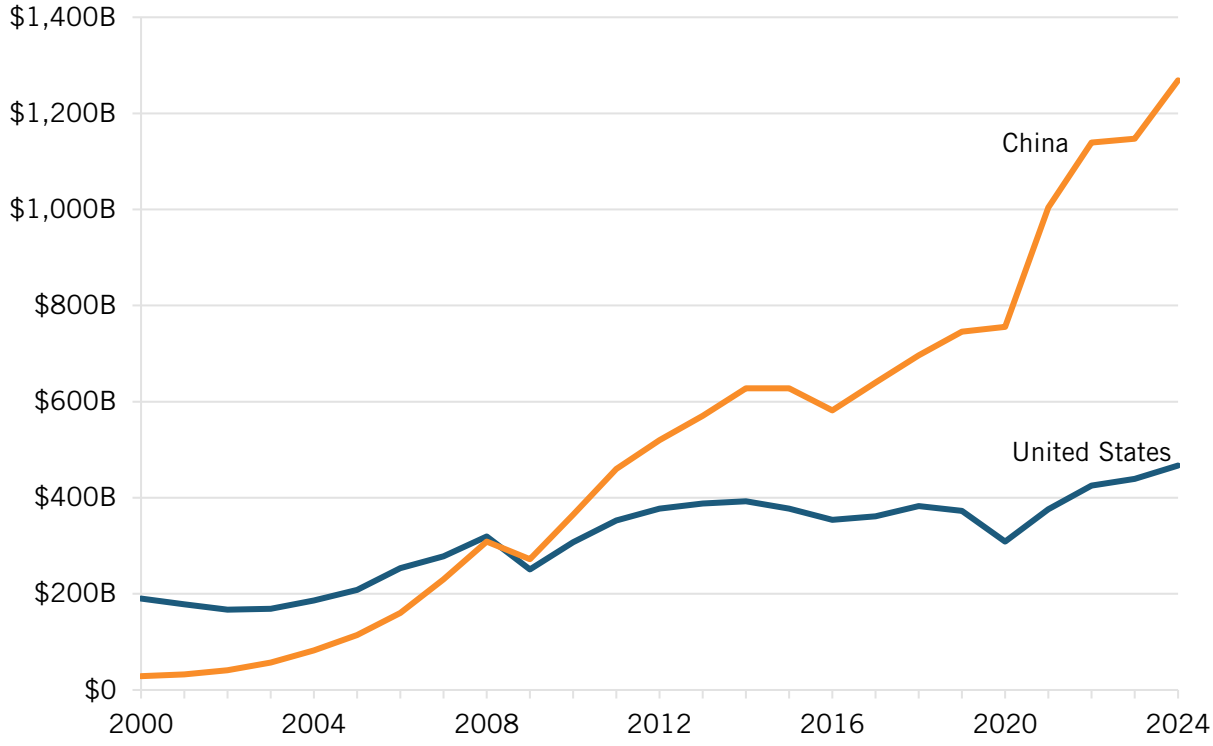
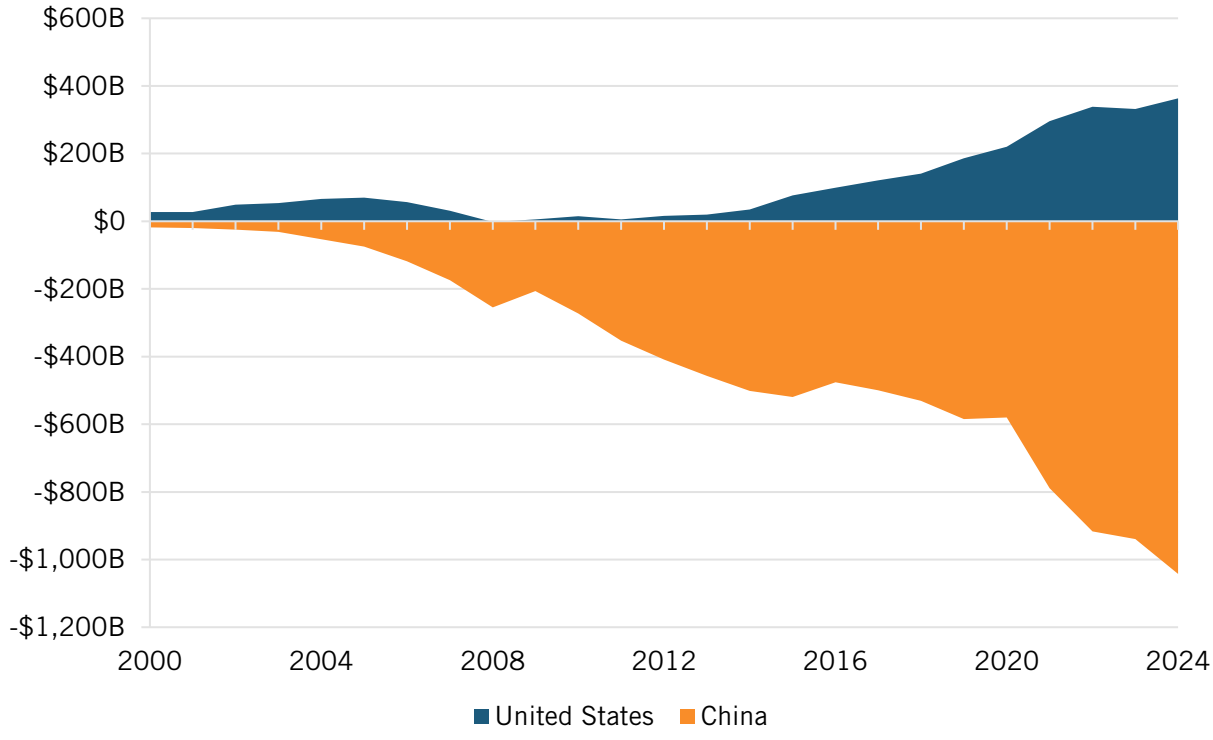


Figure 10: Global South trade balance with China and the United States in manufacturing goods, 2000–2024 (current USD)[37]



Global South Countries Are Decreasing Their Share of Imports From the United States and Increasing Their Share of Imports From China Across All Regions

Exports from China are increasing, while U.S. exports are declining, across all regions of the Global South. The disaggregation of Chinese and U.S. exports by region reveals that the trend of declining American exports and rising Chinese exports to the Global South—more pronounced for non-power goods—occurs across all regions. Figures 11 through 14 show exports from China and the United States—for all goods and national power products—in Asia and the Pacific, Latin America, the MENA and Central Asia, and Sub-Saharan Africa, respectively.

While the U.S. government is pivoting toward expanding its influence in the Americas, China is seeking to position itself as a more predictable partner to Latin American countries. This has occurred mainly due to trade with Mexico facilitated by the North American Free Trade Agreement (NAFTA) and later the United States-Mexico-Canada free trade agreement (USMCA)—yet, U.S. exports declined by more than 9 percentage points over the period analyzed (13 percentage points for national power industries). The PRC Foreign Ministry's December 2025 policy paper on Latin America and the Caribbean clearly marks China's attempt to contrast with the United States, stating that "China will firmly defend international fairness and justice, uphold the multilateral trade system and oppose unilateral bullying practices."[38] China has signed free trade agreements (FTAs) with Chile (2005, amended in 2017), Peru (2009), Costa Rica (2011), Ecuador (2023), and Nicaragua (2023) and is in early-stage discussions for an FTA with Mercosur—an economic bloc among Argentina, Bolivia, Brazil, Paraguay, and Uruguay.[39]

Figure 11: Exports from China and the United States to Global South countries in Asia and the Pacific as a share of total global exports to the region, 2000–2024[40]

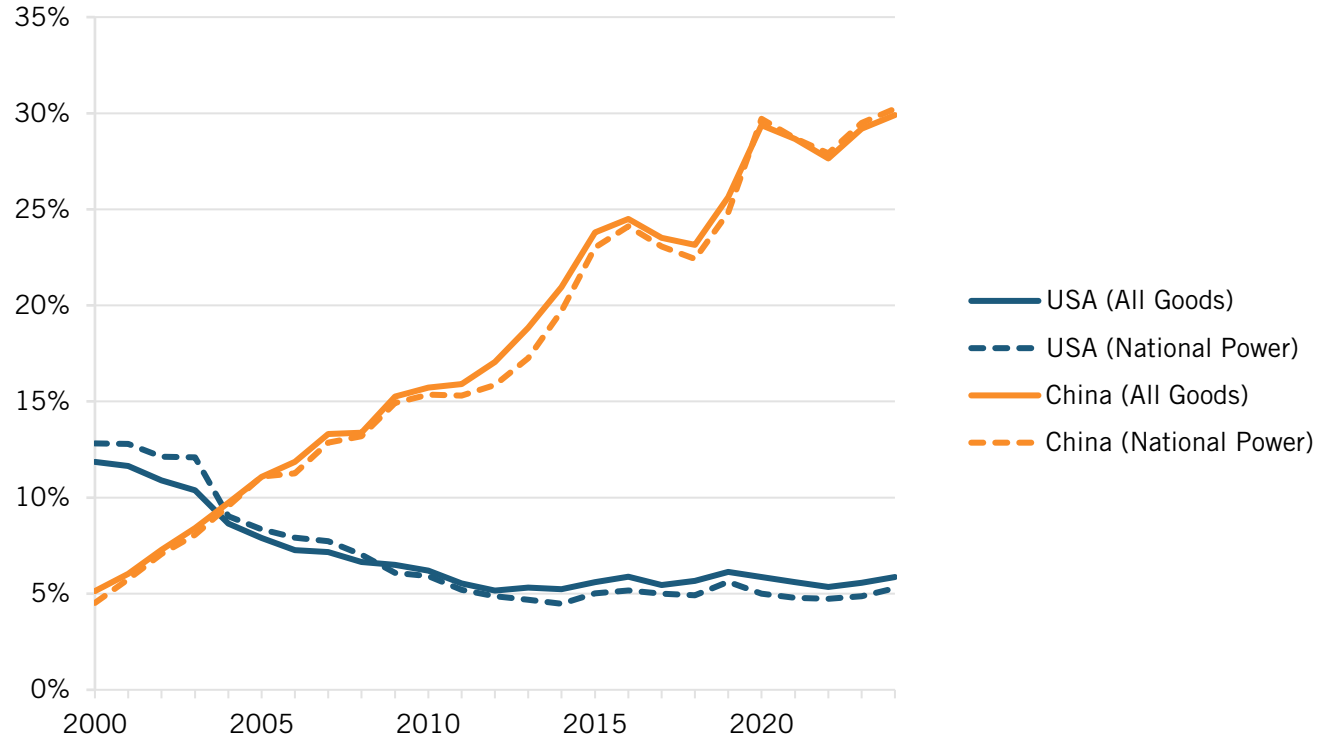


Figure 12: Exports from China and the United States to Global South countries in Latin America as a share of total global exports to the region, 2000–2024[41]

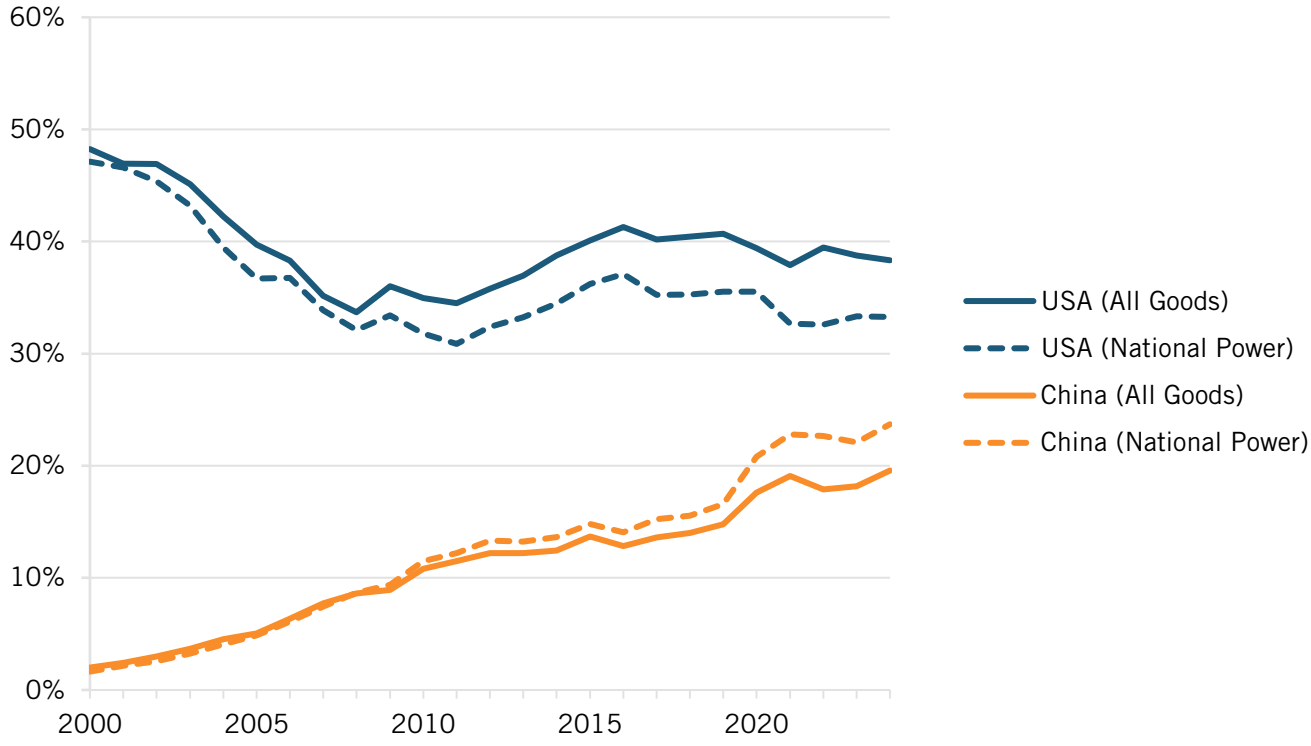


Figure 13: Exports from China and the United States to Global South countries in the Middle East and Central Asia as a share of total global exports to the region, 2000–2024[42]

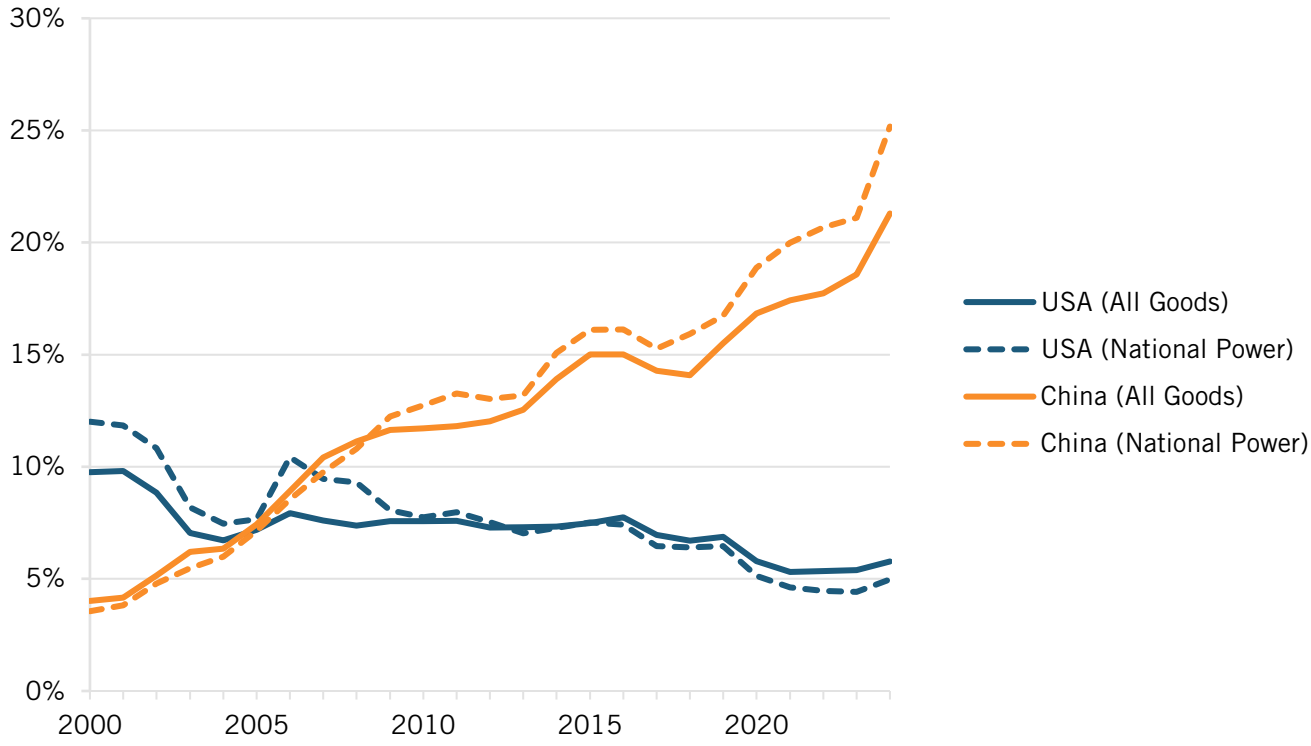
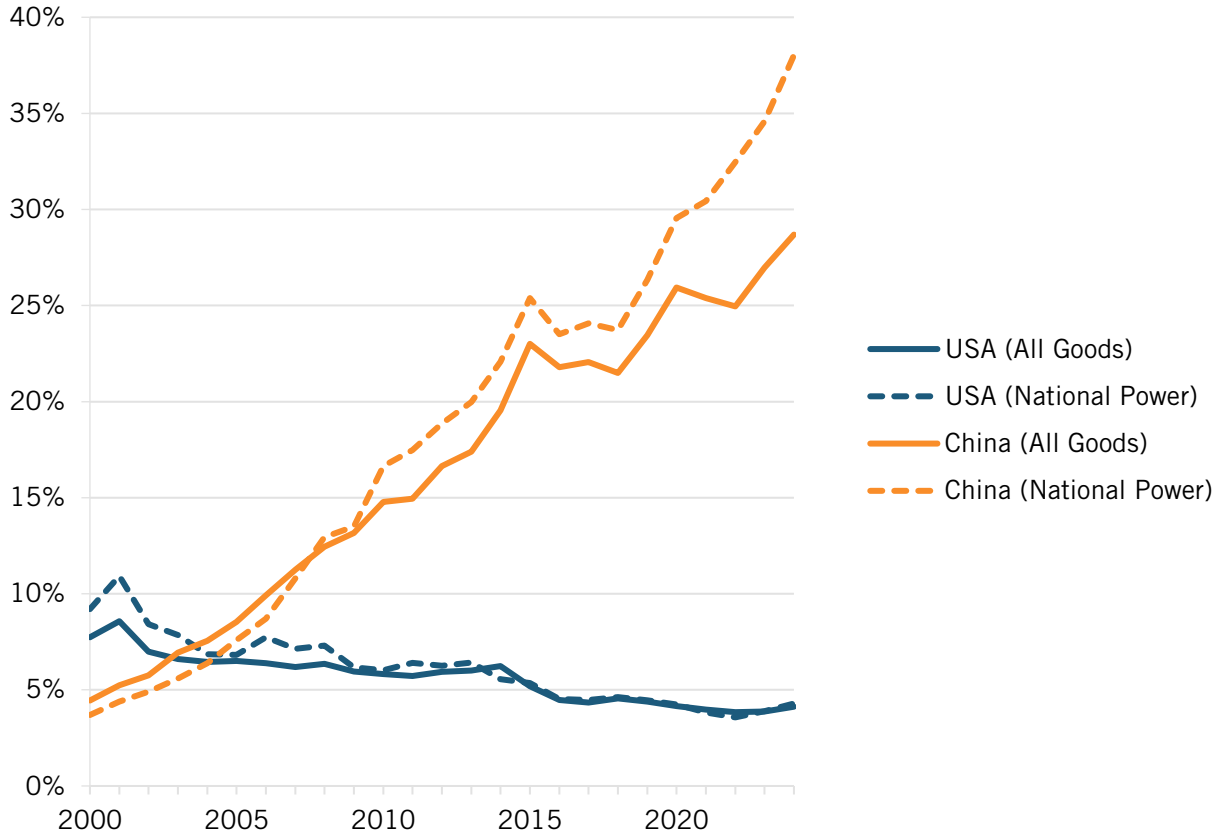
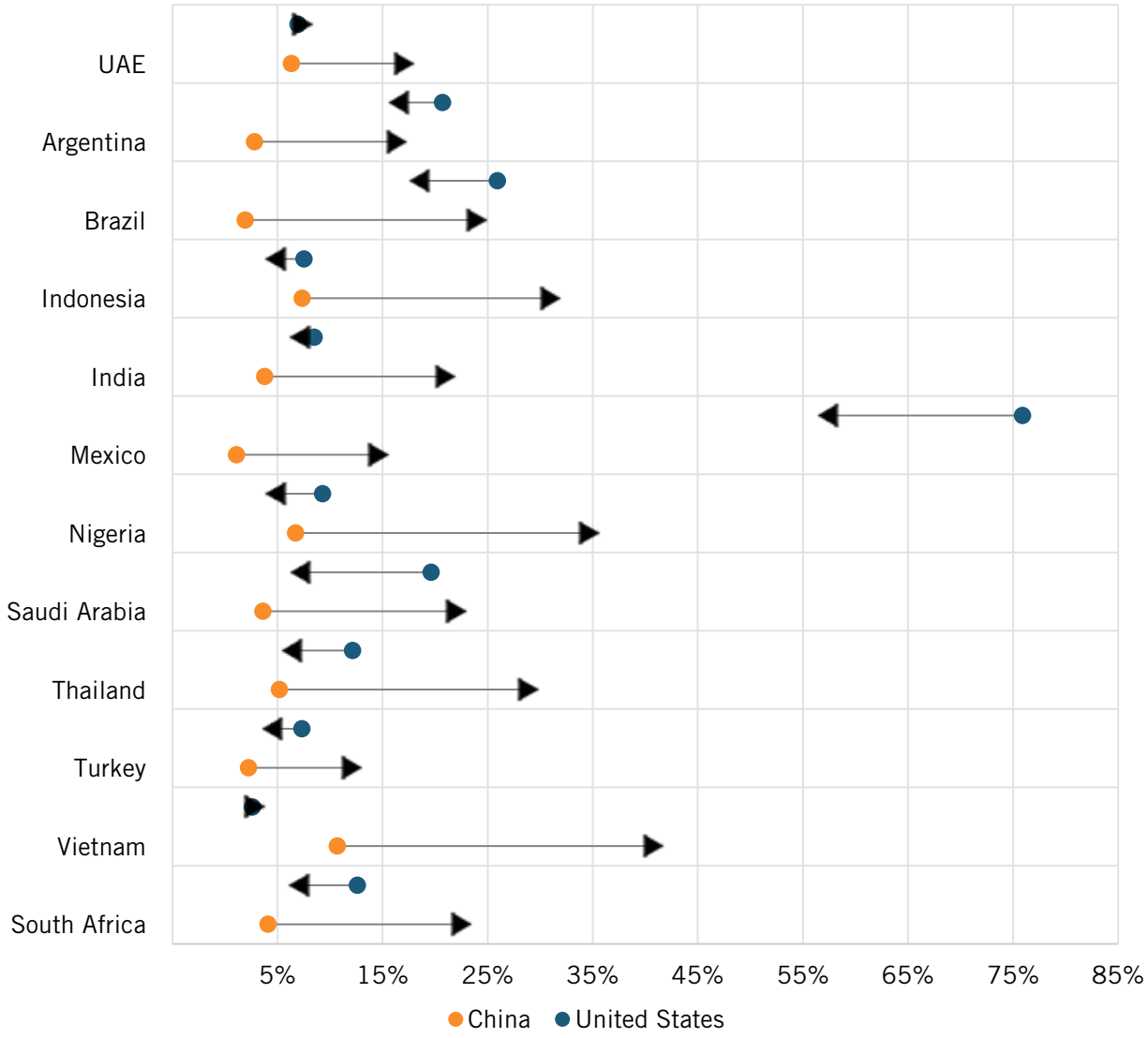


Figure 14: Exports from China and the United States to Global South countries in Sub-Saharan Africa as a share of total global exports to the region, 2000–2024[43]



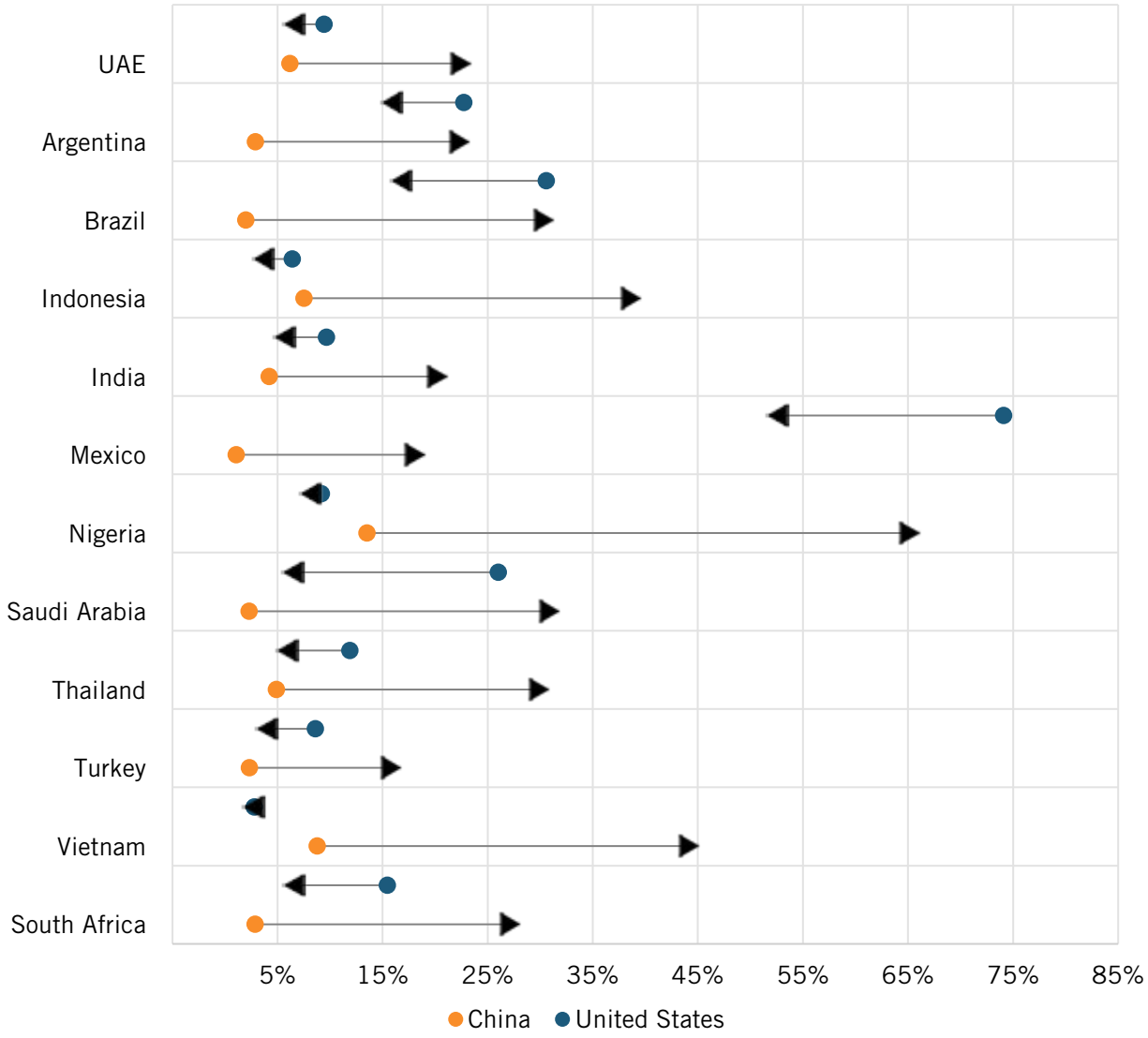
Chinese exports are expanding, widening the gap with U.S. exports across almost all of the 12 largest Global South economies. Figure 15 shows a summary of the shift—if by 2000 the United States had exported more to all the largest developing economies than China did, except for Vietnam, by 2024, Chinese exports surpassed those of the United States in all cases, except for Mexico, America's main trade partner. However, Mexico—along with Nigeria—is also one of the countries where Chinese exports closed the gap the most vis-à-vis American exports relative to the total value exported to the country; in both cases, China's export share increased by more than 33 percentage points relative to the United States.

Figure 15: Share of all goods imports from China and the United States among the largest Global South economies, 2000–2024



Considering exports of national power industries, Chinese exports' expansion relative to the United States among the largest Global South economies is even more pronounced. On average, the Chinese share of exports of national power industries to the 12 largest developing economies is 5 percentage points higher than the share of total exports. In other words, while China is gaining export share across all major Global South countries, it is gaining even more when considering only national power industries. Figure 16 shows that Chinese exports widened the gap relative to American exports by more than 20 percentage points across all countries in this sample, except the United Arab Emirates and Turkey, where the China-U.S. export gap increased by 19 and 18 percentage points, respectively.

Figure 16: Share of imports from China and the United States among the largest Global South economies (national power goods, 2000–2024



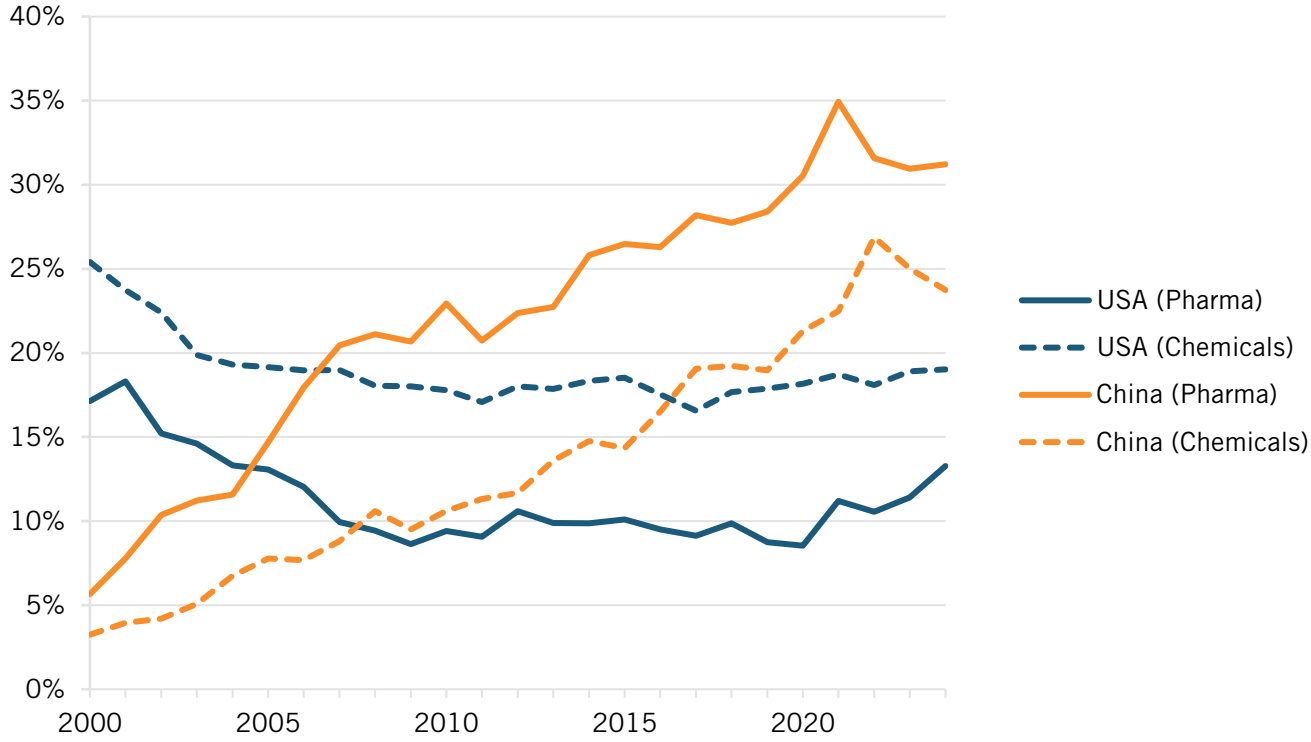
Two Decades of Chinese Growth and U.S. Decline in National Power Exports Share

This subsection analyzes U.S. and Chinese exports to developing economies across five sectors: pharmaceuticals, chemicals, vehicles, electrical machinery, and telecommunications equipment.[44] The analysis follows the same pattern as the previous subsections: Chinese exports are increasing across all sectors, while American exports are decreasing. (See figure 15 and figure 16.) The Chinese share of exports relative to American exports increased by 27 percentage points in chemicals, 29 percentage points in pharmaceuticals, and 33 percentage points in vehicles. Additionally, the gap widened to 54 percent in electrical machinery and 61 percent in telecommunications.

From another perspective, China's share of exports to the Global South in pharmaceuticals, chemicals, vehicles, electrical machinery, and telecommunications equipment increased by at

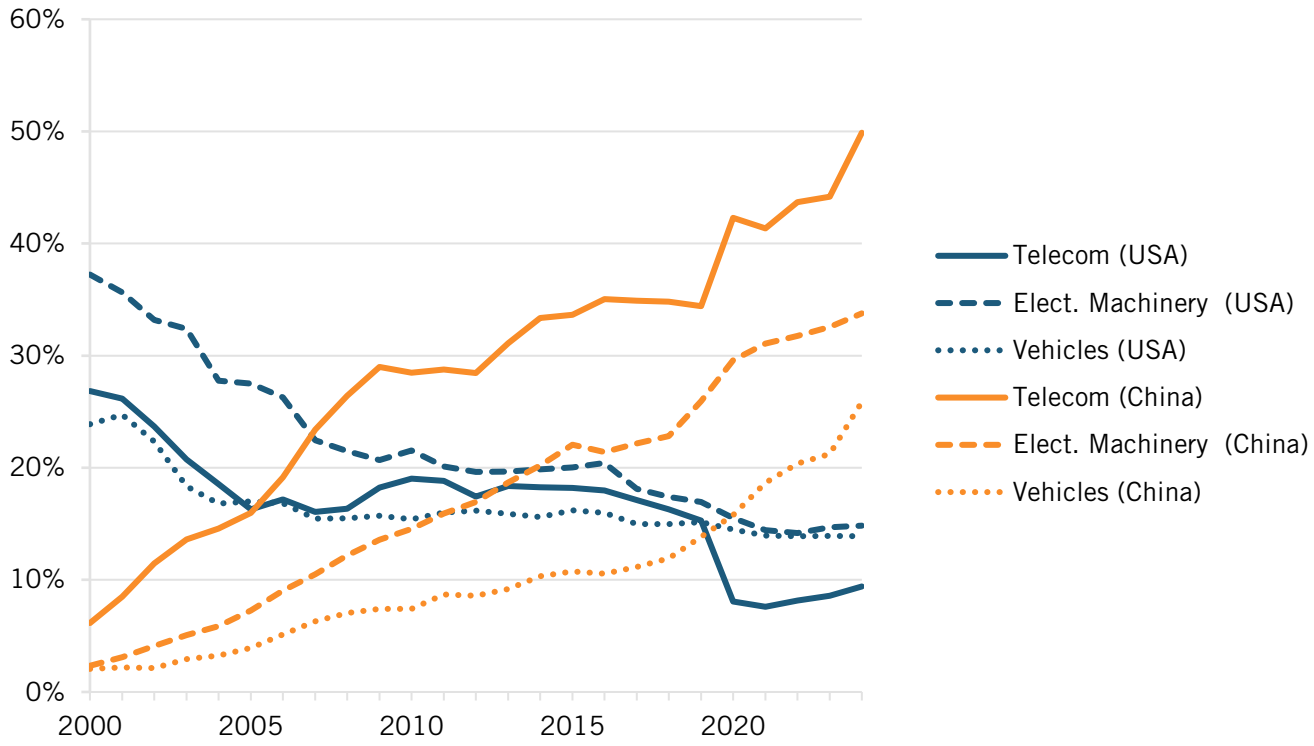
least 20 percentage points between 2000 and 2024. For the United States, the share of exports to the Global South across these product groups declined by at least 4 percentage points.

Figure 17: Exports from China and the United States to Global South countries of pharmaceuticals and chemical products, 2000–2024[45]



China's share of exports to the Global South in pharmaceuticals, chemicals, vehicles, electrical machinery, and telecommunications equipment increased by at least 20 percentage points between 2000 and 2024.

Figure 18: Exports from China and the United States to Global South countries of telecommunications equipment, electrical machinery, and vehicles, 2000–2024[46]



SUBSIDIZED PRODUCTS HELP CHINA GAIN MARKET SHARE IN THE GLOBAL SOUTH

To complement the export data presented in the previous section, this section focuses on selected cases wherein Chinese products are gaining market share in emerging economies. As there is no reliable, open source information on market share across countries, the description first focuses on anecdotal evidence of companies growing their sales in the Global South. Later, the section shows how Chinese automobile manufacturers—and particularly electric vehicle (EV) manufacturers—and mobile makers have outpaced their Western competitors in the Global South.

There is anecdotal evidence of Chinese companies increasing their sales and presence in Global South markets. For example, table 3 shows a selected group of retail and consumer firms headquartered in the PRC—all of which are experiencing growth in developing markets relative to other regions, including the Chinese local economy. Some of these companies do not necessarily export from China; for example, Midea, a home appliances company, has factories in Brazil and Thailand, among other destinations.[47] Chinese appliance company Haier entered the Indian market in 2024 and, by 2025, reported 15 percent market share in refrigerators and 8 percent in air conditioners, washing machines, and LED televisions.[48] Meituan, a platform company, announced plans in August 2025 to invest $1 billion to enter the Brazilian market and compete with local app iFood and U.S.-based Uber.[49]

Table 1: Selected Chinese companies and their presence in Global South markets[50]

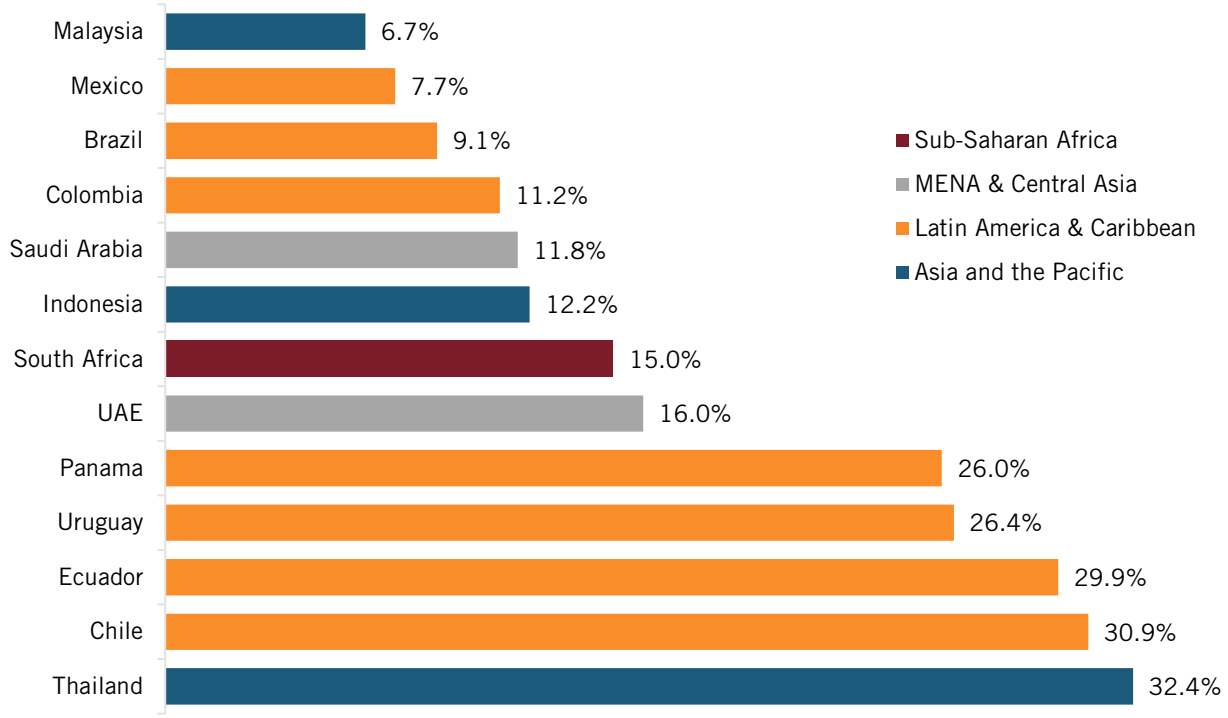
Company	Main Products	Footprint in the Global South
MINOSO Group Holding Ltd	Value retail (lifestyle consumer goods: household items, cosmetics/personal care, toys, accessories, small electronics).	The Global South accounted for 25 percent of sales and 33 percent of its 7,504 stores in 2024. The company added 389 stores in the Global South in 2024.
Anta Sports Products Ltd	Sportswear and sporting goods (athletic footwear, apparel, accessories; multi-brand sports portfolio).	Opened first overseas stores in Singapore and Thailand in 2023. It later opened 240 stores in 2024 in Brunei Darussalam, Malaysia, Nepal, the Philippines, Singapore, Thailand, and Vietnam.
Midea Group Co. Ltd	Home appliances and HVAC (major appliances, small appliances, air conditioners, and industrial robotics segments).	The company aimed to double its number of overseas branches to 60 in 2025, currently selling in over 200 countries.
Fufeng Group Ltd	Industrial food/biochem ingredients (amino acids, MSG, xanthan gum, starch/sweeteners; fermentation-based products).	Overseas sales increased by 11 percent in 2024, while domestic sales fell 5 percent. Some of the company's main markets are in Latin America, the Middle East, Southeast Asia, and South Africa.
Meituan	Local services platform (food delivery, on-demand retail delivery, travel/booking, and other local commerce services).	In 2024, the company launched Keeta, Meituan's international food delivery brand, in Saudi Arabia, its first market outside China.

Developing Economies Represent a Growing Market for Chinese EVs

Chinese companies are increasing their automotive sales and dominating the EV market in the Global South. Exports of vehicles from China to the Global South increased from 2 percent in 2000 to 22 percent in 2023, while U.S. exports fell from 24 percent to 14 percent during that same period. Figure 17 shows the market share of Chinese car brands in a selected group of emerging markets. Notably, more than 3 out of 10 cars sold in Chile, Ecuador, Thailand, and Panama are manufactured by Chinese automakers.

Chinese EVs are ubiquitous in emerging economies. Although it is not possible to determine the precise market share across all the developing economies covered in this report using open source data, some estimates place Chinese EV imports as being responsible for 75 percent of the increase in EV sales in the Global South.[51] In Brazil, analysts estimate that Chinese EVs account for 80 to 99.5 percent of the market share, while in Malaysia and Thailand, their market share exceeds 80 percent.[52] All in all, reports estimate that U.S. automakers General Motors, Ford, and Stellantis have lost over 6 percent of global market share to the expansion of subsidized Chinese EVs.[53] For instance, China lavished over $230 billion in subsidies on its EV sector from 2009 to 2023, principally in the form of buyers' rebates and sales tax exemptions.[54]

Figure 19: Market share of Chinese vehicles, 2024[55]



Chinese Mobile Makers Have Consolidated Their Market Share in Emerging Economies

Previous ITIF reports have shown how Chinese telecommunications equipment companies, such as Huawei and ZTE, have grown into global giants, supported by unfair, mercantilist Chinese government policies.[56] Chinese market-share gains have come at the expense of innovative telecom equipment providers in other countries, particularly Ericsson and Nokia.

Chinese mobile brands have increased their market share by more than 40 percentage points in Africa, nearly 70 percentage points in India, and roughly 50 and 20 percentage points in Indonesia and Latin America, respectively.

European companies such as Nokia and Ericsson, Japanese companies such as Sony, and Korean companies such as LG were once major players in emerging-economy mobile markets. This subsection briefly describes their decline and the rise of Chinese mobile makers such as Xiaomi, Alcatel, Huawei, and Oppo. Since 2010, Chinese mobile brands have increased their market share by more than 40 percentage points in Africa, nearly 70 percentage points in India, and roughly 50 and 20 percentage points in Indonesia and Latin America, respectively. (See figure 20 through figure 23.)

U.S. mobile brands have also increased their market share in Africa, India, Indonesia, and Latin America—though this growth remains modest compared with that of Chinese brands. Apple and Motorola, for example, had a combined market share of 1 percent in India in 2010, rising to 11 percent by 2025. In Latin America, these two companies had a combined market share of 24 percent in July 2010, largely due to the introduction of the iPhone. The combined market share

in Latin America fell to 11 percent a year later, and since then, the combined market share of all U.S. mobile brands has fluctuated between 10 and 17 percent.

Figure 20: Market share of smartphones in Africa for Chinese and U.S. companies, May 2010 to December 2025[57]

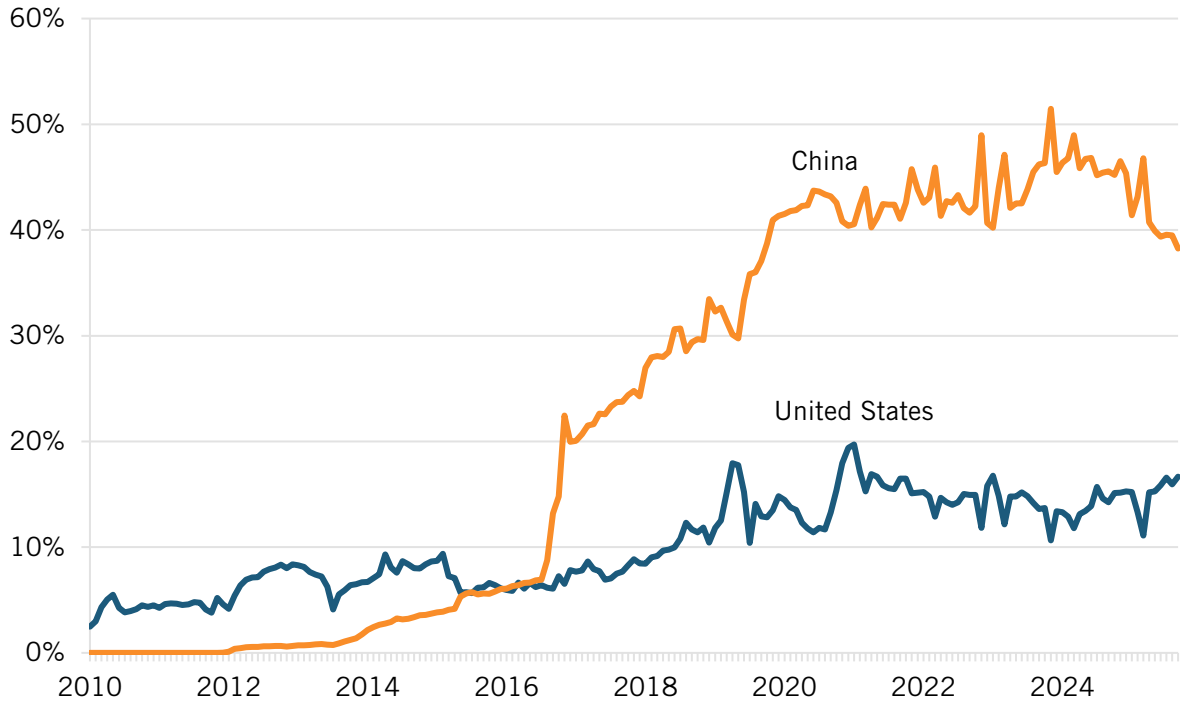


Figure 21: Market share of smartphones in India for Chinese and U.S. companies, May 2010 to August 2025[58]

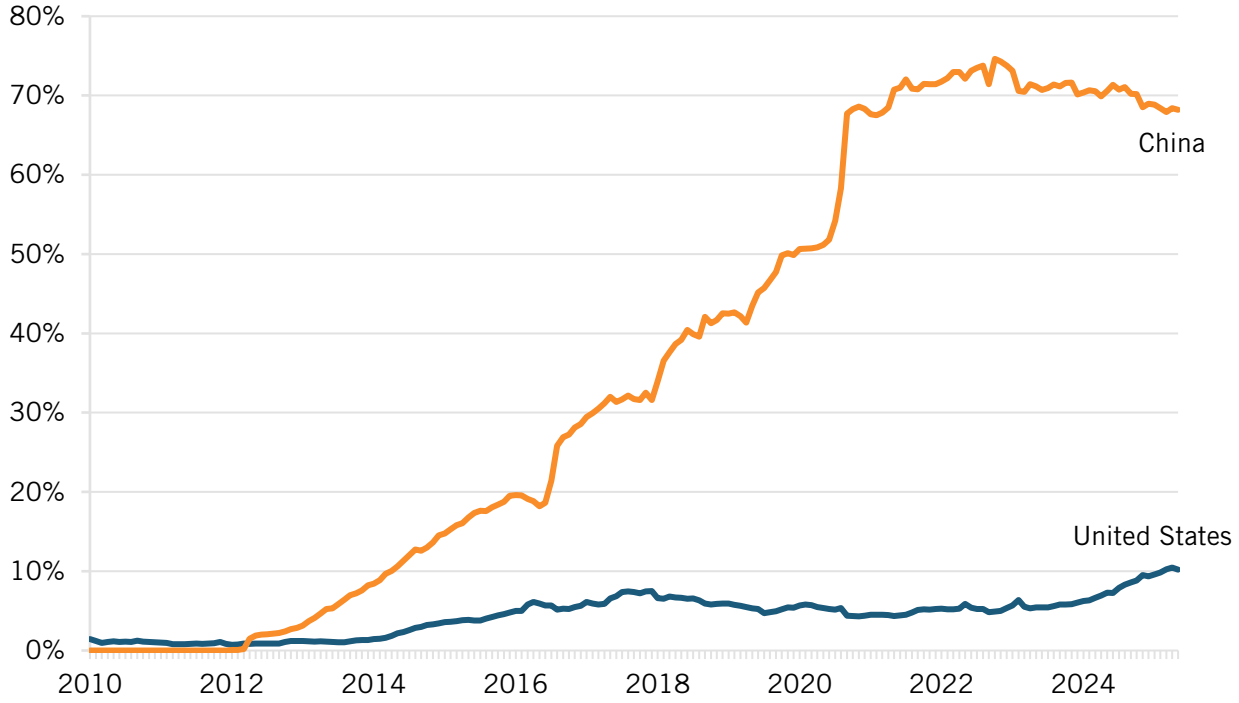


Figure 22: Market share of smartphones in Indonesia for Chinese and U.S. companies, May 2010 to December 2025[59]

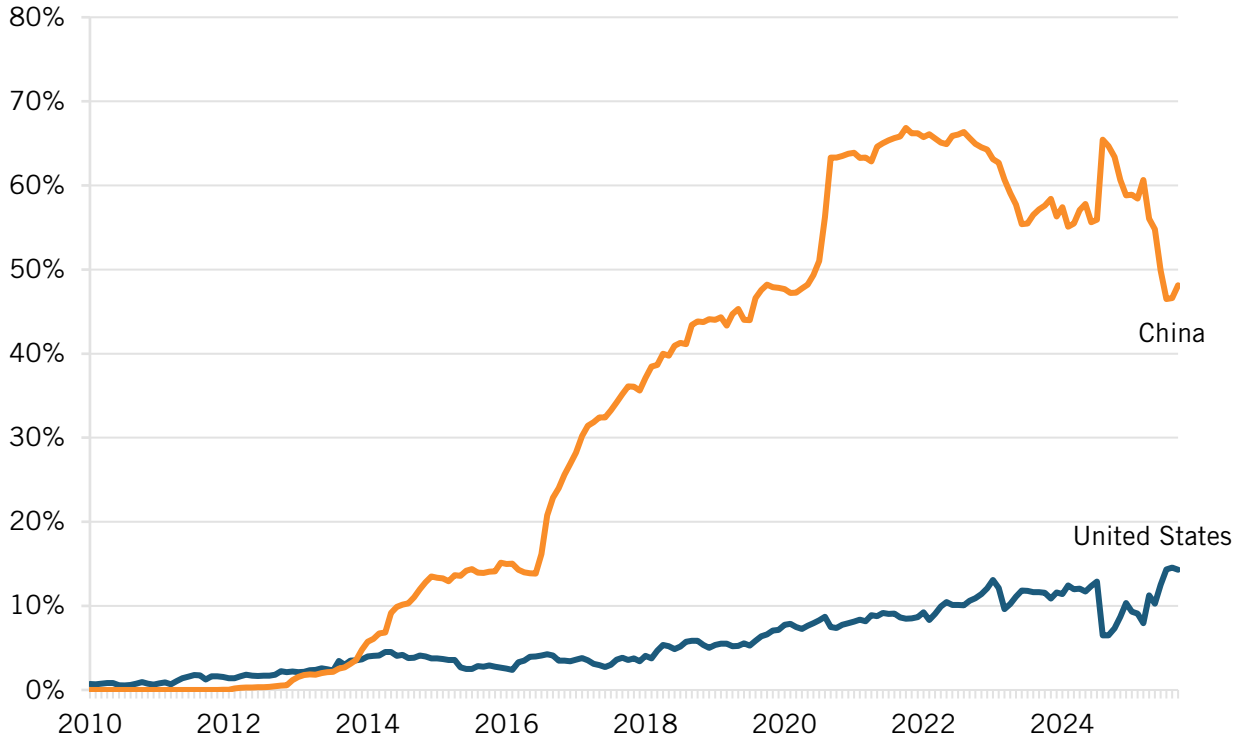
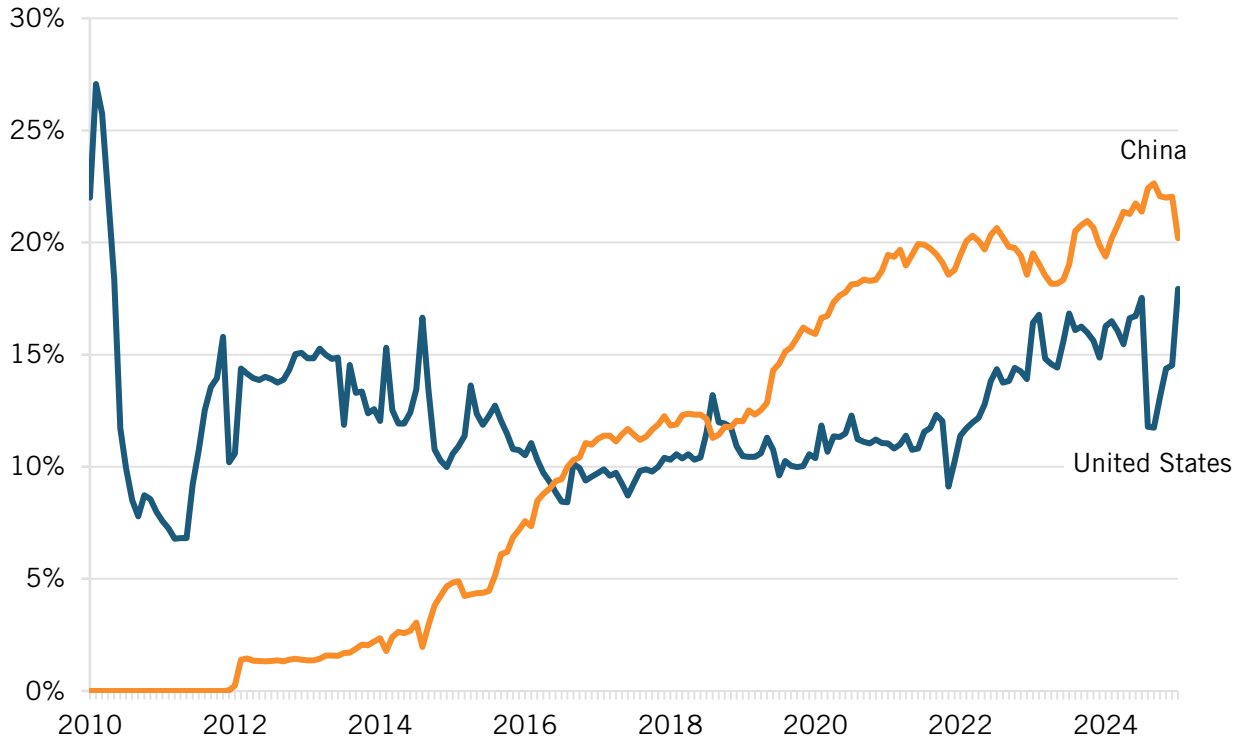


Figure 23: Market share of smartphones in Latin America for Chinese and U.S. companies, May 2010 to April 2025[60]



China's Increasing Market Share in the Global South's Digital Economy

The increasing footprint of Chinese software applications and their presence across other key aspects of the digital economy in the Global South are well documented. ITIF published a 2020 report outlining how China's digital strategy has been wildly successful worldwide, first capturing the Chinese domestic market and later expanding its market share overseas.[61] Nearly six years after that report, Chinese products in the digital economy continue to grow globally and gain market share in developing economies. As of October 2025, there are at least four Chinese apps installed in more than a billion devices—although a large share of the users are in Mainland China. (See figure 24.)

Figure 24: Chinese apps installed on more than a billion devices[62]

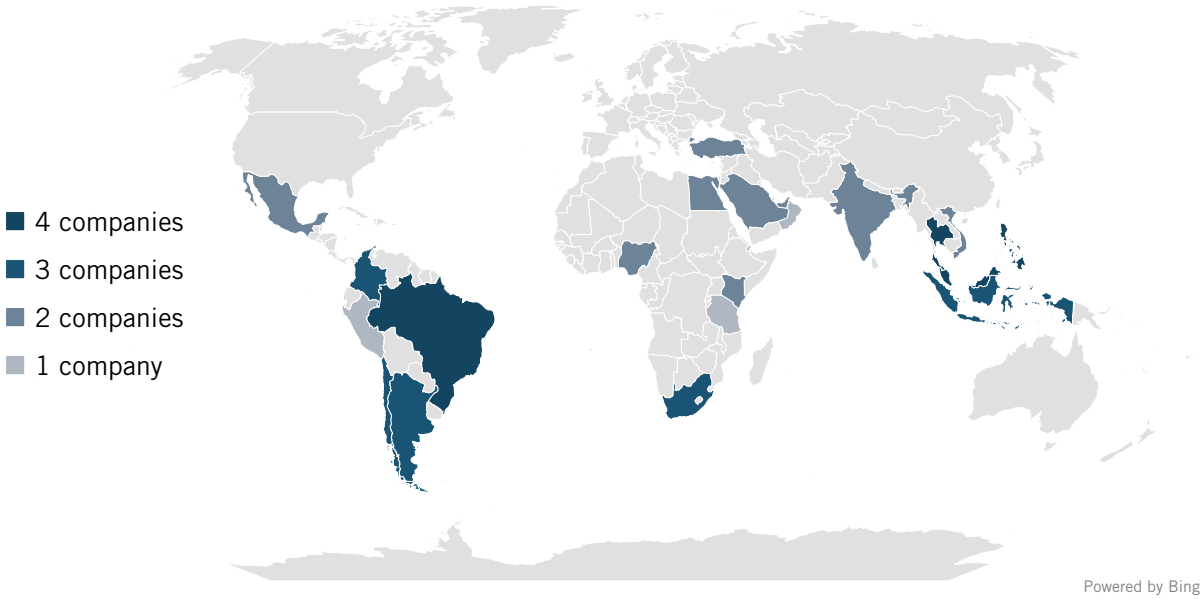
Chinese e-commerce apps are competing in markets in which American e-commerce platforms cannot enter successfully. In Southeast Asia—a market widely dominated by local digital companies—TikTok Shop accounted for 18 percent of e-commerce gross merchandise value in 2024, while Amazon's share was less than 1 percent.[63] TikTok Shop more than doubled its market share in Southeast Asia in just three years (2021–2023), quadrupling its revenues in the region.[64]

Latin American e-commerce is also highly dominated by a local champion—Mercado Libre, an Argentine company—however, AliExpress has been able to account for 42 percent of the market share in Chile.[65] Other Chinese e-commerce apps are increasing their share in Latin American markets. Temu's monthly active users in Latin America increased over 140 percent during the first half of 2025.[66] Temu was the third-most preferred app in Mexico in 2025, surpassing Walmart, while Shein is also well-regarded among Mexican consumers.[67]

Chinese companies also have a ubiquitous presence in the Global South cloud infrastructure. The global cloud market is largely dominated by American companies such as Amazon Web Services, Google Cloud Platform, and Microsoft Azure—accounting for over 63 percent of the global market share.[68] Alibaba and Huawei, in contrast, have a global market share of 4 percent and 2 percent, respectively.[69] However, Chinese cloud providers' global expansion is focusing on emerging markets. In Latin America, a 2025 study finds that Chinese data center providers accounted for 25 percent in Brazil, 40 percent in Chile, and 100 percent in Argentina, Mexico, and Peru each.[70] The same study finds that 57 percent in Indonesia and 100 percent in Thailand, the Philippines, and Malaysia were owned by Chinese companies.[71] Figure 25 shows the presence of interconnection facilities—a key link between data centers and cloud service

providers—in 21 Global South countries, including the 12 largest, provided by four Chinese companies: Alibaba Cloud, China Mobile, Huawei, and Tencent.

Figure 25: Presence of interconnection facilities by the largest Chinese companies[72]



CHINA IS INVESTING MORE THAN THE UNITED STATES IN THE ASIA PACIFIC AND IN SUB-SAHARAN AFRICA

Chinese foreign investment is not a neutral byproduct of globalization—it is a core instrument of the PRC's campaign for global advanced industrial hegemony. Unlike FDI from market economies, Chinese outbound investment is frequently directed by the state and aligned with industrial policy goals rather than commercial returns. As ITIF has documented, Beijing deploys a coordinated set of innovation-mercantilist tools—including state-backed capital, discriminatory market access, and coerced technology transfer—to accelerate firm upgrading and skew global competition.[73] In this context, Chinese FDI in third markets is rarely an isolated financial transaction. It is part of a broader predatory system designed to acquire technology, embed Chinese firms in critical ecosystems, and lock in long-term market share in strategically important sectors.

The Belt and Road Initiative

The BRI, an investment plan aimed at strengthening China's connectivity with the world, is China's signature foreign policy. Through the BRI, the Chinese government invested over $1.3 trillion between 2013 and the first half of 2025 across more than 150 countries, with roughly $755 billion in construction contracts and $554 billion in non-financial investments.[74] Most of the BRI-related large infrastructure projects involved resource extraction, such as oil and gas, with relatively low financial risks for Chinese counterparts.[75] According to the Griffith Asia Institute, the last few years have observed the trend that the majority of construction contracts "are typically financed through loans provided by Chinese financial institutions and/or contractors, with the project often receiving guarantees through the host country's government

institutions, potentially backed up by resources."[76] The BRI program includes non-Global South countries such as Austria, Bulgaria, Croatia, the Czech Republic, Estonia, Greece, Hungary, Luxembourg, Poland, Portugal, the Slovak Republic, and Slovenia.[77]

BRI investments are directly linked to the expansion of Chinese techno-economic power. A wide range of Chinese firms participate in BRI projects, embedding Chinese technical standards and raising switching costs for host countries. Huawei, a Chinese telecommunications company and a direct competitor of many U.S. technology companies, has been a recipient of BRI projects, helping it expand its global footprint and build the necessary connections with government officials in the Global South.[78] For example, Huawei built a data center in Papua New Guinea in 2018, thanks to a $53 million development loan from the Export-Import Bank of China (EXIM).[79] Other Chinese technology companies, such as Alibaba, Baidu, China Telecom, Tencent, and ZTE, have received funding to gain presence in Global South countries through BRI projects.[80] Over time, the presence of Chinese technology firms translates into durable market advantages, reducing the commercial and regulatory space available to American competitors.

BRI projects are not solely state-funded, but they are state-directed. The Chinese government determines which projects to support, who the beneficiaries will be (both contractors and the target population), and the terms and conditions of the projects. The PRC does this through a mix of public banks, state-owned enterprises, and diplomacy.[81] Through the BRI, Chinese public financial institutions such as the Chinese Development Bank (CDB) and the EXIM can issue low-cost loans, as their bonds are treated as Chinese government debt, with very low interest rates.[82]

The BRI has a component called the "Digital Silk Road" (DSR), which is focused on building telecommunications infrastructure (e.g., 5G networks, fiber-optic networks, data centers) and promoting Chinese technical standards, for example, in e-commerce, artificial intelligence (AI), and smart cities.[83] In the last few years, the DSR has been subsumed by other BRI-related initiatives, in part because recipient countries have increasingly opposed it due to the sector's sensitivity and Chinese domestic economic pressures.[84] However, Chinese companies have continued their global expansion, demonstrating Huawei's presence in countries home to over 3.2 billion people.[85]

As Chinese investments in the Global South are non-market-driven, there are distinctive patterns in the regional allocation of resources compared with those of the United States or other traditional investors. First, the perception of geopolitical and institutional risk—a key factor in market-driven investments—does not necessarily play a primary role in the PRC's investment decisions. For example, BRI projects are particularly relevant in low- and middle-income countries that are deemed less creditworthy by private capital investors and traditional donors—such as Pakistan—due to lower risk aversion than U.S. market-driven investments.[86] This also partially explains the difference between Chinese and American investments in Sub-Saharan Africa.

Second, Chinese investment decisions—public and private—are shaped by strategic priorities that support the supply chain of China's military-civil manufacturing sector. Investments from China in developing economies are disproportionately oriented toward commodity-based projects, strategic transport and logistics nodes (such as port access), and telecommunication infrastructure.[87] While this may seem beneficial to the country receiving the investment, this focus exposes it to geopolitical tensions by hosting dual-use infrastructure, such as the Hambantota port in Sri Lanka and the Chancay Port in Peru.[88]

The different nature of Chinese investments in Global South countries has sometimes created conflict and pushback from host countries. This is exacerbated by cultural differences, a lack of understanding of the host country, and China's work culture. Foreign investment—particularly in mining and infrastructure projects—is often controversial regardless of the investor, but the factors driving the PRC's foreign investments, as described previously, add an additional source of tension. To wit, there have been cases of workers treated in near-slavery conditions in Chinese-owned factories in Mozambique and Chinese-owned mines in Zambia, employees in Zimbabwe being shot by a Chinese mine owner, and workers being banned from leaving the working facilities in Angola.[89]

Chinese investment companies traditionally staff technical, highly qualified, and management roles with Chinese employees rather than hiring or training local talent.[90] While *The Economist* recently reported anecdotal evidence that some Chinese investors are hiring local employees in higher-responsibility roles, this seemed to be limited to "sales, customer service, and public relations," with just a few roles in management.[91]

There is evidence that China and the United States effectively "compete" in investments in the Global South. American investments push the PRC to invest more, and vice versa. For example, Japanese researchers found that the United States "may have invested more in BRI countries to strategically compete with China in those locations."[92] This competition does not necessarily occur across all Western allies—for example, Italy, France, Japan, the Netherlands, Switzerland, and the United Kingdom have signed agreements with the PRC to cooperate in third-party markets.[93] Conversely—as described previously—one of the BRI's main goals is to counter Western global influence.

The distinct nature and structure of Chinese investments overseas make a one-to-one comparison with U.S. foreign investment difficult. It is already challenging to track investments from any country, but this is exacerbated by the PRC's lack of transparency and the unreliability of publicly available information. The Congressional Research Service has d that "no comprehensive, standardized, or authoritative data are available on all Chinese overseas economic activities."[94] Thus, depending on the source, the flow of Chinese investments to countries outside the United States can vary by as much as 50 percent.[95]

Chinese public investments in the Global South are significantly higher than U.S. federal funding for developing countries.

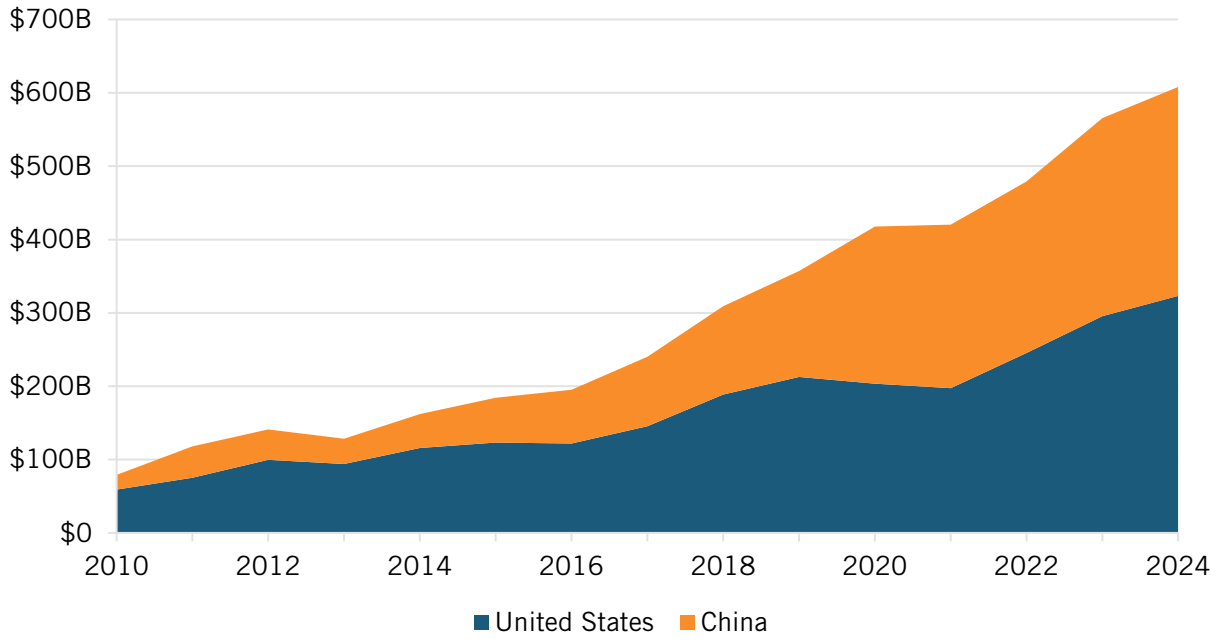
Chinese public investments in the Global South are significantly higher than U.S. federal funding for developing countries. A 2024 study by the U.S. Government Accountability Office (GAO) compared BRI projects supported by the U.S. government, including loans, insurance, grants, and loan guarantees, generally for private entities.[96] According to GAO's study, while China's BRI infrastructure projects provided $679 billion across seven key sectors—transportation, energy, industry, mining, construction, telecommunications, and water supply and sanitation—the U.S. government provided $76 billion in the same sectors.[97]

This section uses IMF reports on outward FDI. Instead of measuring government-to-government investments in the Global South, a more direct way to compare American and Chinese investments is to use this data, as it has the advantage of being an official, unique source that

allows identification of investment amounts by country of origin, recipient country, and year. However, IMF's FDI data still has limitations. First, it is not categorized by sector, so FDI data includes "shovel-ready" construction or investment projects, financial transactions, and mergers and acquisitions. Second, the country of origin recorded in the data does not always reflect the ultimate home country of the investing firm. This is because multinational companies frequently route investments through intermediary jurisdictions that offer more favorable tax, legal, or regulatory treatment. As a result, countries such as the Cayman Islands, the Netherlands, and the Virgin Islands appear as disproportionately large global investors despite serving primarily as financial conduits rather than sources of real economic control.[98] These intermediate jurisdictions can account for as much as 40 percent of global FDI in some years.[99]

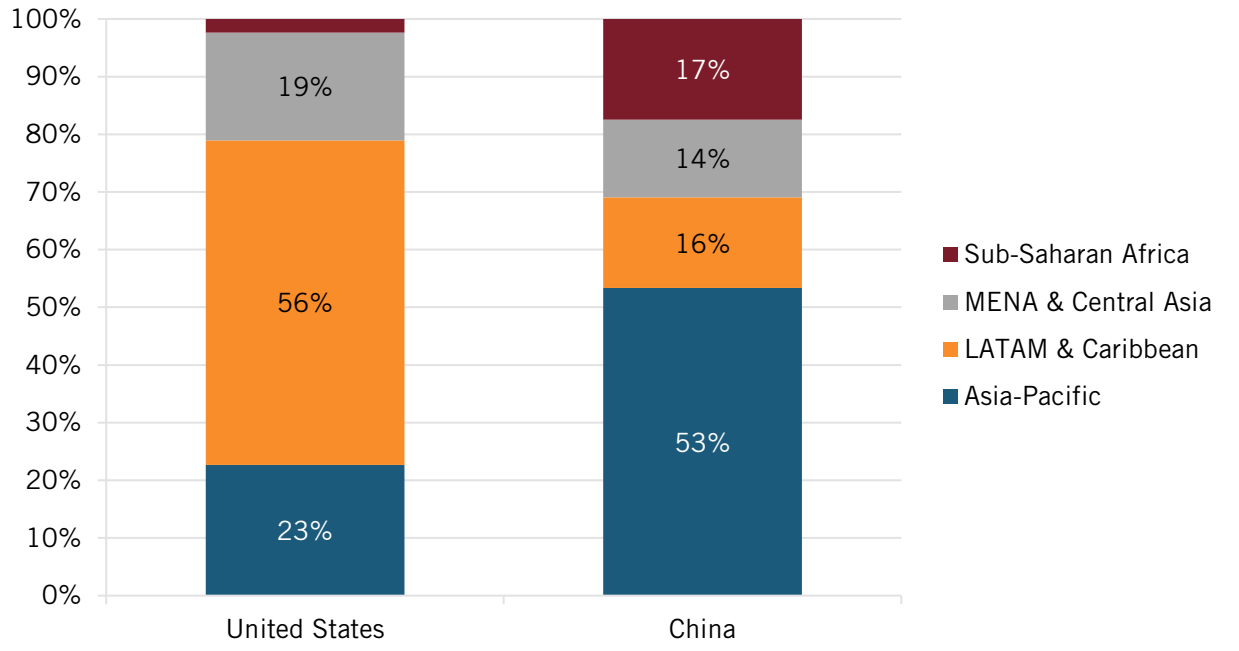
Using this methodology, U.S. entities invested more than $323 billion in the Global South between 2010 and 2024, representing 13 percent more than Chinese outward FDI to developing economies during the same period. Figure 26—and the rest of the figures using FDI data in this section—use outward FDI data, measured on a net basis (assets minus liabilities) and covering all financial instruments and reporting entities from China and the United States to Global South countries. This metric captures the net bilateral stock of direct investment—combining equity and intercompany debt—between each reporting economy and its counterpart, while netting out reverse investment within the same investment relationship. Net positions reduce distortions caused by intra-company financing, round-tripping, and pass-through investment—practices that can significantly inflate gross FDI figures without reflecting real control, risk, or productive activity.[100] Notably, China experienced 54 percent growth over the four years between 2017 and 2020, while the United States grew only 29 percent during that period, allowing China to surpass the cumulative FDI outflows since 2010 through the first year of the COVID-19 pandemic.

Figure 26: Outward direct investment positions in Global South countries, accumulated between 2010 and 2024 (current USD)[101]



The destinations of outward FDI positions are skewed toward the home region of China and the United States. Figure 27 shows that 53 percent of China's accumulated FDI to Global South countries between 2010 and 2024 was directed to countries in Asia and the Pacific. Similarly, 56 percent of the U.S. FDI positions in the Global South are allocated in Latin America. While investments from China and the United States in developing economies account for roughly 10 percent of their total, 25 percent of Chinese investments go to these countries.[102] Figure 27 also shows the difference in priorities between China and the United States in investing in Sub-Saharan Africa—while China's FDI in this region accounts for 17 percent of all investments in developing economies, the United States' FDI in this region accounts for only 2 percent.

Figure 27: Destinations of outward FDI among Global South countries, accumulated between 2010 and 2024[103]



China's accumulated FDI positions between 2010 and 2024 exceeded American investments in developing countries in the Asia-Pacific by more than fivefold and doubled U.S. FDI in Sub-Saharan Africa. By contrast, U.S. FDI accumulated positions in Latin America are triple those of Chinese investments, while in the Middle East and Central Asia, American investments are 56 percent higher than China's during the same period. (See figure 28 through figure 31.)

China's accumulated FDI positions between 2010 and 2024 exceeded American investments in developing countries in the Asia-Pacific by more than fivefold and doubled U.S. FDI in Sub-Saharan Africa.

The United States' tariffs on Chinese products have changed the composition of Chinese investments in developing economies. Chinese investments in Latin America during recent decades were mostly limited to resource-based sectors, such as mining, and enabling infrastructure for commodity extraction and trade.[104] This made Chinese investment in Latin America dependent on commodity price fluctuations; indeed, most of the PRC's lending to the region during the 2010s decade was concentrated in the first half of the period, aligned with the

price cycle.[105] However, during the 2020–2024 period, over 45 percent of FDI in the region was focused on vehicles and auto parts, mostly as a result of not only the U.S.-China trade war initiated during the first Trump administration and continued during Biden's but also the tariff-free environment for products made in Mexico, thanks to the USMCA.[106]

Figure 28: Outward direct investment positions in Global South countries in Asia and the Pacific, accumulated between 2010 and 2024 (current USD)[107]

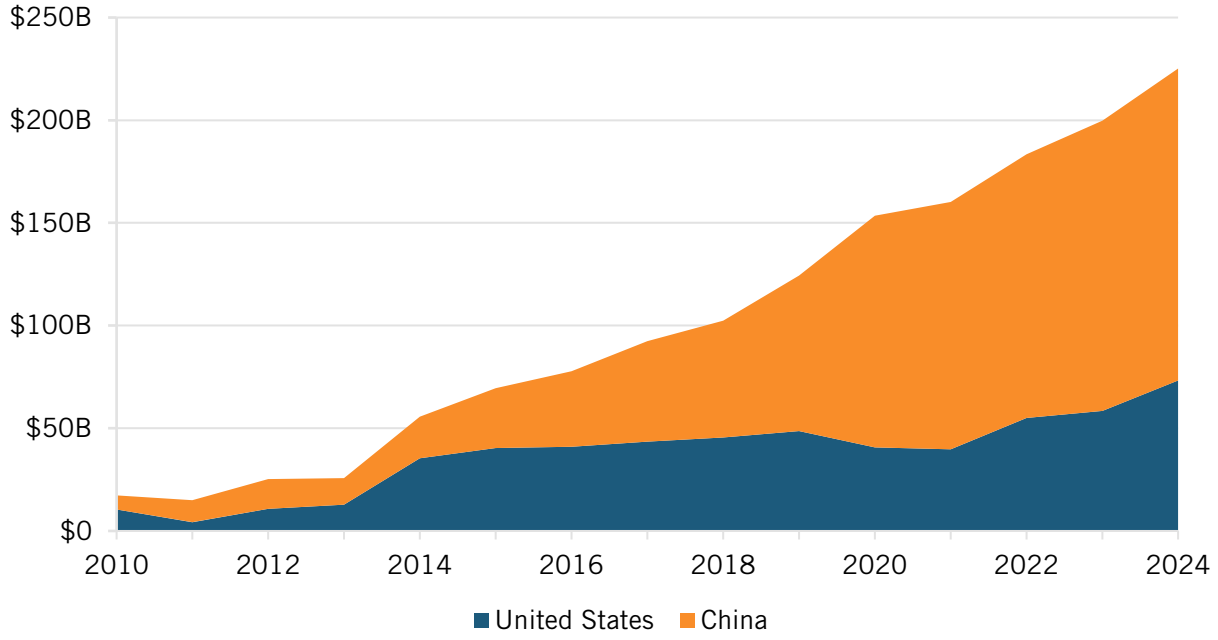


Figure 29: Outward direct investment positions in Global South countries in Latin America, accumulated between 2010 and 2024 (current USD)[108]

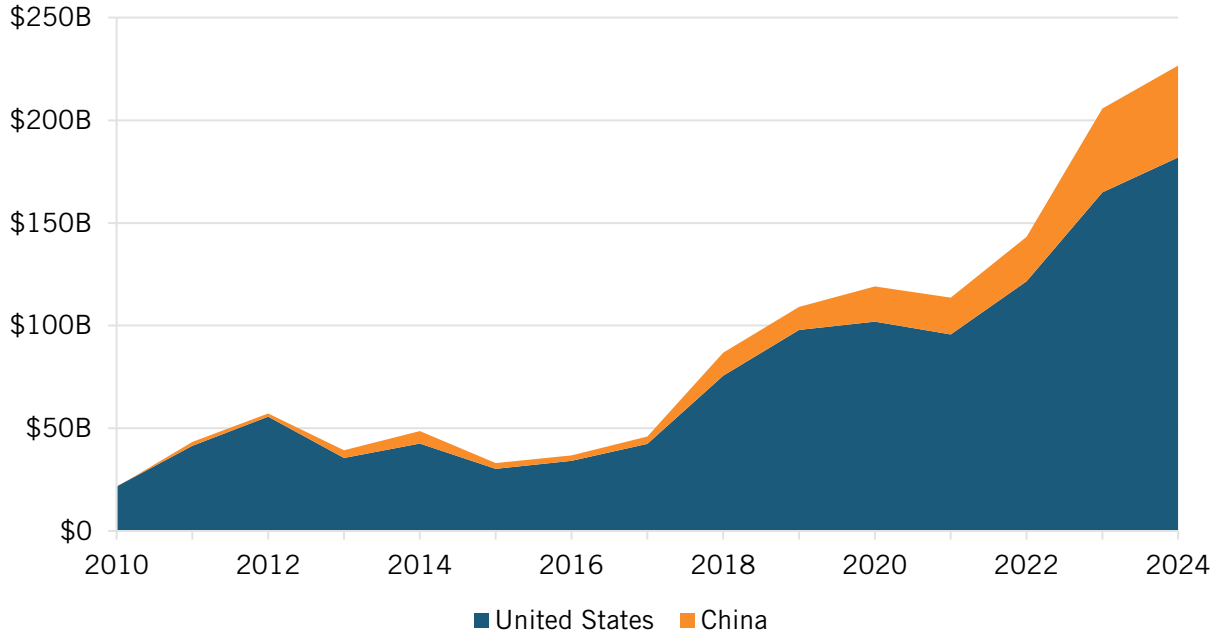


Figure 30: Outward direct investment positions in Global South countries in the MENA and Central Asia, accumulated between 2010 and 2024 (current USD)[109]

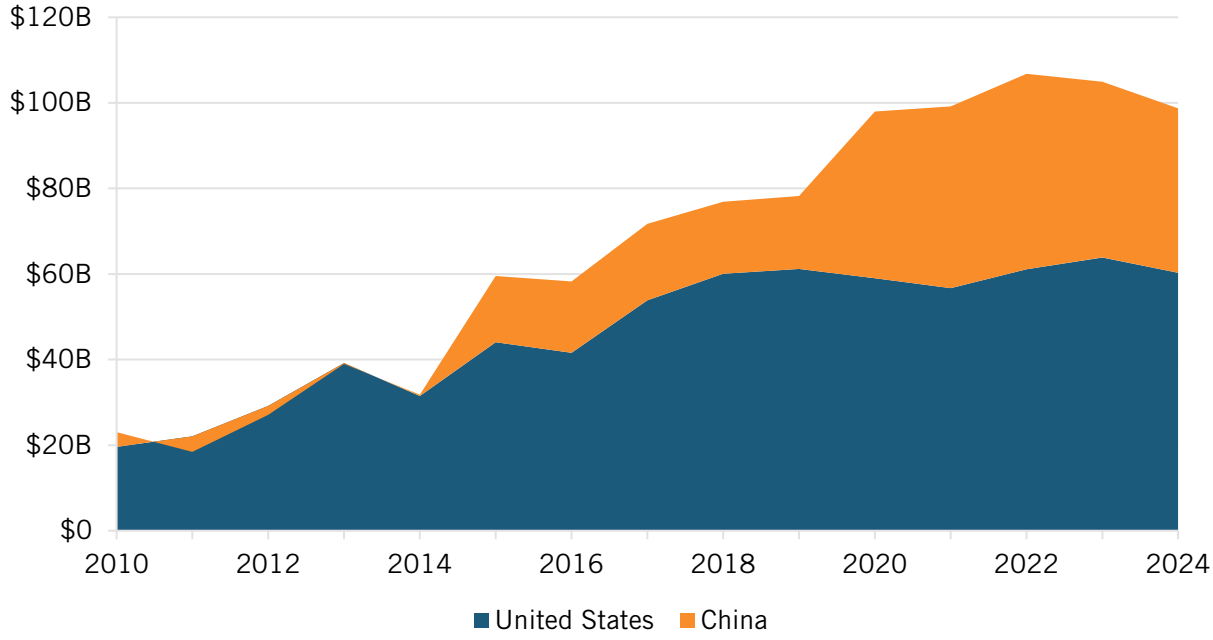
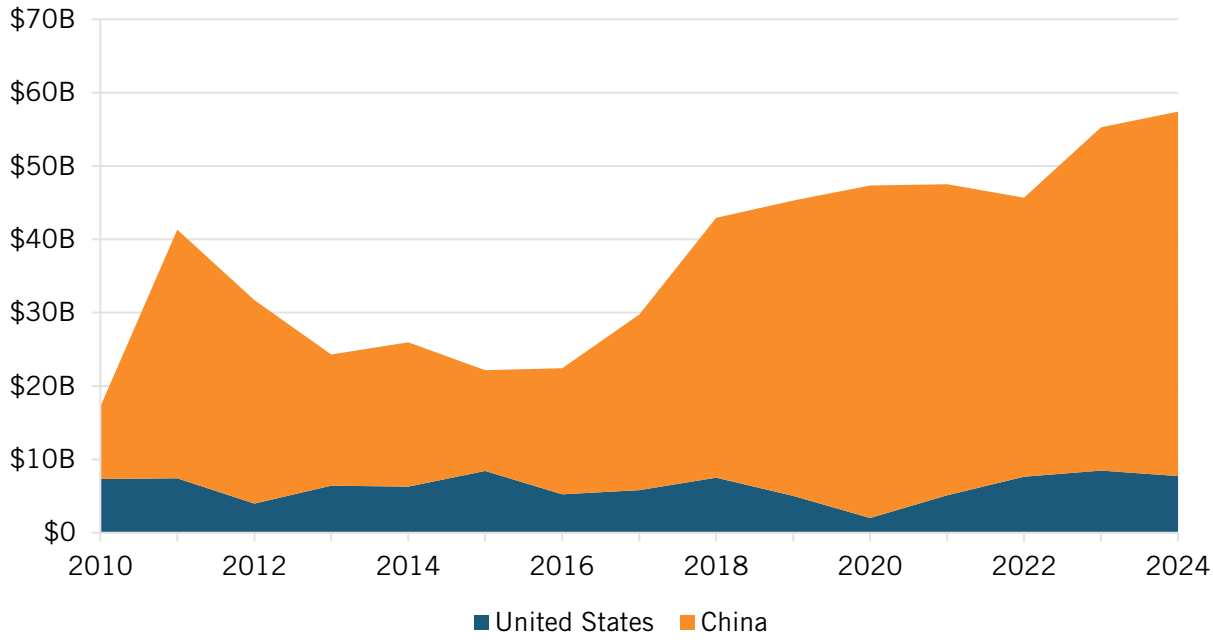


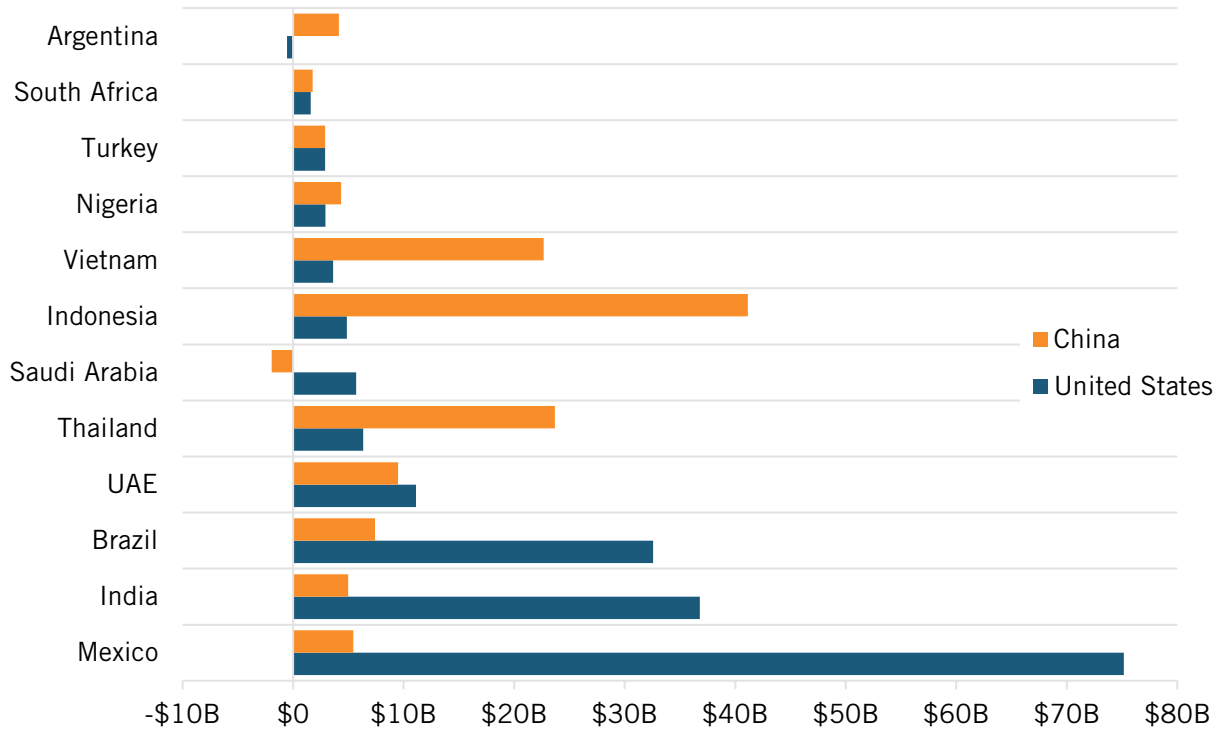
Figure 31: Outward direct investment positions in Global South countries in Sub-Saharan Africa, accumulated between 2010 and 2024 (current USD)[110]



Between 2010 and 2024, 45 percent of total U.S. FDI investment positions were allocated to Brazil, India, and Mexico. In contrast, 31 percent of Chinese FDI investment positions in emerging markets during the same period were allocated to the main developing countries in Southeast Asia—Indonesia, Thailand, and Vietnam. Figure 32 shows FDI outflows from China and the United States to the 12 largest developing economies. Overall, China accounts for 44

percent and the United States for 57 percent of their total FDI positions in this group of countries. (Mexico alone represents 23 percent of the total outward FDI positions from the United States.)

Figure 32: Outward direct investment positions in a selected group of countries in the Global South, accumulated between 2010 and 2024[111]

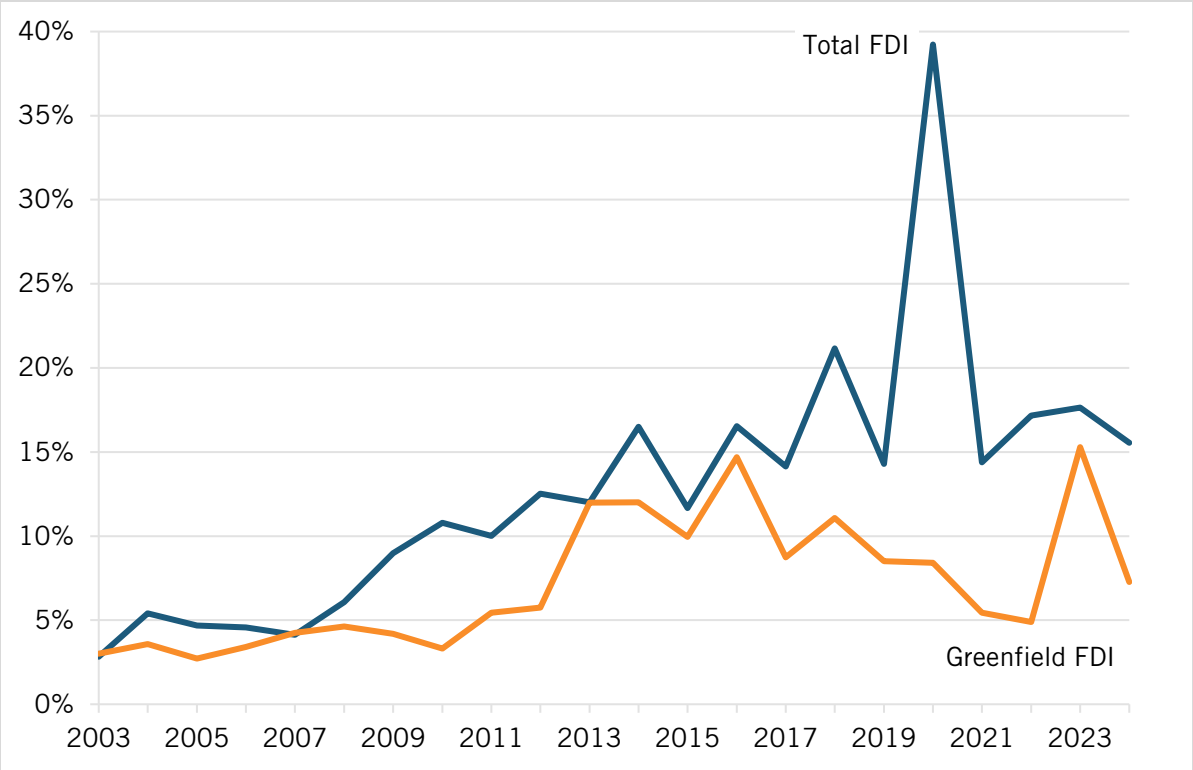


Are Chinese Investments Real, Physical Investments?

The limitation of FDI data is that it includes transactions that are not necessarily capital stock accumulation or financial transactions. FDI data includes transactions involving reinvested earnings (i.e., transfers of funds) and mergers and acquisitions (i.e., transfers of ownership). As a result, it is important to determine whether Chinese FDI constitutes new capital formation or greenfield investment. While it is not possible to determine the specific composition of China's outward FDI by investment type, a good approximation can be obtained by using UN Trade and Development's (UNCTAD's) aggregate data and comparing it with the global share.

Figure 33 shows the sum of China and Hong Kong's outward FDI as a share of the world total, and contrasts it with China and Hong Kong's value of announced greenfield FDI projects as a share of the world's total. (The 2020 peak is explained by China's initial response to the COVID-19 pandemic.) While it is possible to conclude that China is investing less in greenfield FDI than in financial transactions, it is still possible to observe an increase in Chinese greenfield FDI. If, between 2003 and 2008—the first five years of the available data—China's greenfield FDI accounted for 3 percent of the world's greenfield foreign investments, by the last five years of the sample (2000-2024), the average had increased to 8 percent.

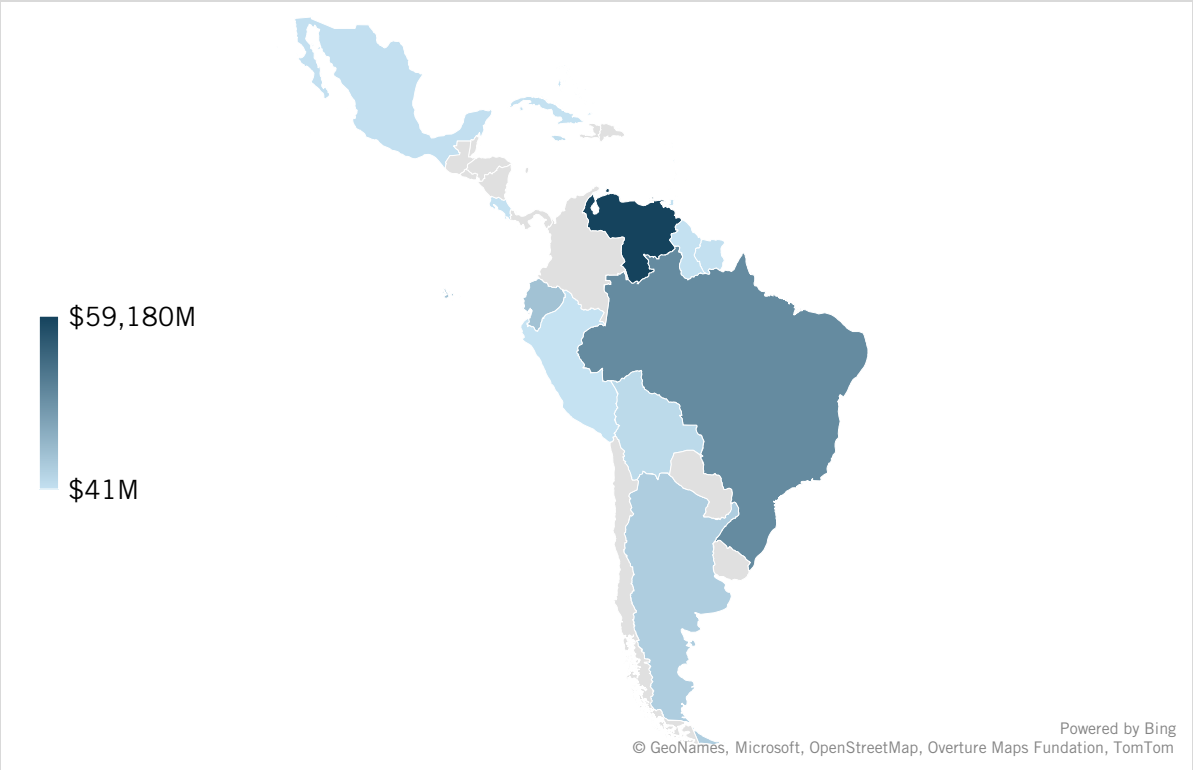
Figure 33: China + Hong Kong's FDI as a share of the world total[112]



Rhodium Group, a market intelligence company, has a proprietary dataset on Chinese FDI. According to the firm, Chinese mergers and acquisitions started to decline significantly in 2016, shifting toward greenfield FDI.[113] The growth of Chinese greenfield investments might be explained by trade and investment barriers from the United States and other high-income economies that impede financial transactions, and by internal competition—for example, among Chinese EV companies—pushing them to seek new markets and cheaper supply chains.[114]

To be clear, Chinese investments often lead to significant increases in capital stock creation. A project by the Inter-American Dialogue and the Boston University Global Development Policy Center estimates that, between 2005 and 2023, the CDB and EXIM have loaned more than $120 billion to Latin American countries and state-owned enterprises, typically for energy and infrastructure projects, of which more than 88 percent were allocated to energy and infrastructure projects.[115] As shown in figure 34, nearly half of these loans targeted the Venezuelan economy. Other studies—beyond loans—report Chinese investments in potentially dual-use infrastructure and supply chains, such as the "Lithium Triangle"—Argentina, Bolivia, and Chile—and the previously mentioned Chancay Port in Peru.[116]

Figure 34: Loans from CDB and EXIM to Latin American countries between 2005 and 2023[117]



Perhaps the BYD plant in Camaçari, Brazil, captures all the nuances of Chinese FDI in the Global South. The plant was formerly a Ford production site—symbolizing the retreat of U.S. national power influence in the Global South and the rise of China.[118] Also, this investment likely had both acquisition and greenfield elements, as it required upgrading the plant and bringing in new technologies. As noted, internal competition in China—particularly in EVs—is partly driving Chinese multinationals to invest in the Global South. Lastly, the project has not been exempt from controversies—Brazilian prosecutors sued BYD, accusing the company and some of its contractors of being "responsible for human trafficking and conditions analogous to slavery."[119]

WHY AND HOW CHINA HAS GAINED IN THE GLOBAL SOUTH

Market share in the Global South matters in the context of U.S.-China techno-economic competition, as leadership is defined by scale. Cheap, subsidized Chinese products are flooding the Global South's consumer markets, making them a primary mechanism for Chinese companies to grow, as the domestic Chinese market is arguably saturated and has already displaced foreign companies in many sectors, such as electronics and retail.

China's expanding footprint in the Global South has its roots in the country's free-riding on global trade rules. China is a nonmarket economy—a country that "does not operate on market principles of cost or pricing structures, so that sales of merchandise in such a country do not reflect the fair value of the merchandise."[120] The U.S. Deputy Permanent Representative to the WTO stated that:

> The PRC directs and enables PRC companies to manufacture excessive amounts of products and sell them at unreasonably low or below-cost prices, particularly in

export markets. Notably, the PRC's pursuit of these industrial plans does not merely harm other developed economies with mature industries. It especially harms emerging and developing economies, as too often they cannot successfully develop their own competing industries and, instead, become more dependent on the PRC, something economists call premature deindustrialization.[121]

China's mercantilism is leading to premature deindustrialization in the Global South, flooding markets with subsidized, low-cost goods, dismantling developing economies' nascent manufacturing, and limiting their economic growth opportunities as commodity and service exporters. ITIF has well-documented China's mercantilism:

- **Domestic industrial policies and export subsidies allow Chinese products to flood Global South markets.** While most advanced countries have used industrial policies and subsidies to promote certain local industries and technologies, the scale and disregard for WTO rules with which China does so make the country an exception. In addition, market economies—such as that of the United States and Western allies—implement targeted government interventions, acting as third-party investors or benevolent financiers rather than seeking centrally planned control. China, in contrast, seeks to establish control over the economy rather than shape market outcomes. Ultimately, the PRC government is exempt from external accountability or domestic political pressure to balance its interventions.

  The scale of Chinese nonmarket interventions is not comparable to any other major economy. For example, a 2024 study from the Kiel Institute for the World Economy finds that more than 99 percent of listed Chinese firms received government subsidies totaling more than $37 billion in 2022 alone.[122] (These subsidy estimates do not include government support that is not easily quantifiable, such as preferential access to raw materials and forced technology transfer, which are of considerable value.) The Center for Strategic and International Studies estimated that China's industrial policy spending is at least 1.7 percent of its GDP, using a conservative estimation.[123]

China's mercantilism is leading to premature deindustrialization in the Global South, flooding markets with subsidized, low-cost goods, dismantling developing economies' nascent manufacturing, and limiting their economic growth opportunities as commodity and service exporters.

- **Wage suppression disincentivizes countries in the Global South from competing with the Chinese workforce.** China's productivity gains are not necessarily reflected in salary increases. China appears to be an outlier in the relationship between wages and productivity, with wages to productivity averaging nearly half the global average.[124] The divergence between labor productivity and real wage growth has been a trend in China since the early 2000s.[125] In other words, China's productivity gains are not translated into higher salaries, allowing the Chinese economy to keep its comparative advantage as a low-cost labor jurisdiction while simultaneously upgrading its industries.

  Wage suppression helps the PRC government maintain its global competitiveness, while other jurisdictions (even nondemocratic ones) cannot compete on the same terms. Lower salaries also mean that the Chinese economy relies more on overcapacity-driven

production for exports to foreign markets than on local consumption.[126] Low wages reinforce the cycle of building scale, outcompete foreign manufacturers with lower production costs, gain market share in third markets, and displace third-market competitors.

- **Currency manipulation allows China to have preferential terms of trade.** The U.S. Department of the Treasury has consistently reported that "China provides very limited transparency regarding key features of its exchange rate mechanism, including the policy objectives of its exchange rate management regime and its activities in the offshore RMB market."[127] Reports from IMF estimate that the RMB may be undervalued by 18 percent, while Goldman Sachs's 2026 outlook estimates an undervaluation of 25 percent.[128] This distortion serves as a tax for exporters from the rest of the world. Currency manipulation helps the PRC artificially gain competitive advantages, causing the RMB to devalue in order to make exports cheaper, ultimately outcompeting market economies in the Global South.
- **Massive aid to the Global South.** China has disbursed significantly more resources than the United States has. A *Foreign Affairs* article states, "Between 2000 and 2021, China extended about $68 billion per year in overseas development financing. The U.S. average over this period, by contrast, was about $39 billion per year."[129] The article, published in December 2025, argues that there are clear patterns distinguishing Chinese and American foreign aid—at least as observed by the now-extinct USAID. First, China seems to allocate more funds to countries that chair relevant multilateral or regional venues, such as the ASEAN annual Chairmanship. Second, nearly all aid is government-to-government rather than being implemented in coordination with civil society or local private-sector companies, as Western aid traditionally has been. Foreign assistance with these characteristics helps China access markets and appease regulators, particularly in jurisdictions captured by elites, characterized by poor transparency or lacking democratic accountability. (ITIF has advocated for aligning development finance and foreign assistance with U.S. competitiveness and strategic interests.[130])

HOW TO AVOID THE UNITED STATES LOSING THE GLOBAL SOUTH

Many policymakers in the Global South increasingly share concerns regarding China's unrelenting innovation mercantilism. They see the cheap, subsidized Chinese products flooding their markets as a threat to their economies and security—a concern similar to that held by many American and allied policymakers.[131]

As China's exports, sales, and investments in the Global South grow, U.S. policymakers should realize that using the same tools and frameworks—namely a "Globalization 1.0" approach—won't reverse this trend. America needs an approach to the Global South that recognizes China as the century's main techno-economic challenge. A Globalization 2.0 approach in the Global South should include the following steps:

Develop a "bill of particulars" against China's innovation mercantilism with key developing country allies.

Through the National Trade Estimate Barriers Report, the Special 301 Report, and the annual U.S. Trade Representative (USTR) report on China's WTO compliance, the United States has

developed a comprehensive inventory of China's mercantilist practices. China similarly steals intellectual property (IP), dumps subsidized products, and employs other innovation mercantilist practices in third-party markets. It's how China amassed a record $1.2 trillion trade surplus with the rest of the world in 2025.[132] The United States should work with key developing-country partners to develop a "bill of particulars" that documents how Chinese innovation mercantilism harms third-party countries and their enterprises.

Create a National Export Promotion System.
There is no national export strategy or system. Various federal agencies maintain their own export programs. GAO addressed this issue more than 30 years ago, and little has changed.[133] At the same time, most state governments, some city governments, and other subnational organizations operate export promotion agencies. This creates a jumble of different programs at different levels of government that are disorganized and uncoordinated, making it difficult for exporters to obtain the information and assistance they need. There is no comprehensive list of these. There is no attempt to create a coordinated network of all these organizational efforts, at least to identify synergies. Congress should charge the Commerce Department with establishing a national, interagency, and intergovernmental trade promotion system.

Promote trade with most Global South countries.
The WTO and the most-favored-nation principle envisions a world in which America treats all other nations equally in trade. However, China's behavior in the global trade system has made it unviable to continue this approach. The second Trump administration has already changed this system, yet there is no clarity on the U.S. government's long-term strategy. Regarding trade relations with the Global South, the United States should pursue trade agreements that reduce trade imbalances (particularly nontariff barriers such as policies that discriminate against U.S. companies) and prioritize supply chains for U.S. national power industries. As ITIF contends, most of the Global South countries "are not adversaries, but also not fair and free traders, such as India, Brazil, and other quasi-mercantilists."[134] The United States should urge these nations to both remove trade barriers and help trade and investment flow to the maximum extent possible to increase American companies' market share in third-party countries.

The Generalized System of Preferences (GSP), a duty-free access program, provides the United States with critical leverage in its engagement with countries in the Global South. However, several countries that are beneficiaries of the GSP program have implemented policies that discriminate against U.S. companies, despite their agreement to provide reasonable and fair market access to them in exchange for tariff-free access to the U.S. market.[135] The GSP program is an important tool to "win back" the Global South, but enjoying preferential access to the U.S. market should come with certain expectations—for example, not being in the USTR's Special 301 Report on Intellectual Property Protection and Enforcement (i.e., the IP Watch List) or not having discriminatory policies that unfairly target American companies.

The Export-Import Bank of the United States (Ex-Im Bank) plays a key role in helping U.S. exporters gain sales.[136] The bank provides financing for export transactions that might not otherwise occur when private commercial lenders are unable or unwilling to finance foreign purchases of U.S. exports. However, Ex-Im Bank funding has declined dramatically in recent years. For instance, in FY 2011, Ex-Im Bank authorized $32 billion in transactions; in FY 2012, $35.8 billion. Ex-Im Bank authorizations haven't exceeded $10 billion since FY 2015.

Meanwhile, global export credit expenditures grew from $71 billion in 2015 to $115 billion in 2024. China—the leading provider of export credit—extended $24 billion in export credit in 2024, almost three times the U.S. amount.[137] Congress should significantly increase Ex-Im lending levels. It should also permit Ex-Im Bank's China and Transformational Exports Program workstream to accept greater loan-loss risk across its portfolio and expand its transformational export areas to include all national power industries.

Expand aid and development assistance oriented to strengthening U.S. national power industries. The United States and like-minded countries need to codevelop a long-term strategy to jointly build development assistance and loan programs to expand Western national power and counter the BRI. The Bretton Woods organizations—IMF and the World Bank—were in part created to consolidate U.S. global power in the postwar period, albeit in the interest of advancing a market-based international economic and trade system.[138] However, the bureaucratic complexities of these organizations and China's deepening influence over them mean that these institutions are no longer fully aligned with efforts to strengthen global freedom and democracy.

The Development Finance Corporation (DFC), recently reauthorized by Congress, should become the centerpiece of U.S. foreign development assistance. The DFC should center its programs and projects on advancing U.S. techno-economic power, financing infrastructure that facilitates the supply chains of critical inputs for U.S. strategic sectors, and creating incentives to prevent Global South countries from being "locked-in" to Chinese technologies and standards. The recent reauthorization of the DFC gives the agency greater flexibility, for example, to invest in equities.[139] However, these new authorities are thwarted by limited scale. While China invests roughly $100 billion a year, the DFC made only $3.5 billion in new commitments in 2025.[140]

Still, there exist legislative and executive actions that can strengthen U.S. interests through financial development tools. Congressional reauthorization of the DFC has given the entity a large remit and important flexibilities, but if it's going to fulfill its potential to mobilize private capital and scale development impact, it's going to need a clear strategy and effective leadership to professionally restaff the organization (the DFC lost almost 200 career specialists amid federal workforce reductions in 2025).[141] In addition, the Trump administration should ensure that the DFC prioritizes transactions that reduce recipient countries' reliance on the PRC and, to the extent possible, focuses on national economic power industries. The DFC should also produce annual reports detailing how much of its maximum contingent liability—its "credit card"—has been committed to countering the PRC, including descriptions of those projects and the sums committed to each. Finally, Congress should explore mechanisms to provide funding for multilateral financial development organizations, such as the World Bank and the Inter-American Development Bank, contingent on efforts to counter Chinese influence.

The United States needs to strengthen its relationships with development finance entities from like-minded nations—notably the Japan Bank for International Cooperation, the Korea Development Bank, the European Investment Bank, and the European Bank for Reconstruction and Development—and co-invest in development initiatives that support supply-chain diversification efforts of mutual interest. For instance, the United States can invest alongside allies to create alternative suppliers of critical minerals, rare earth elements, and other strategic resources in developing economies.

However, the United States can no longer afford to support nations whose actions militate against U.S. techno-economic interests, including those with close technology transfer and other economic relationships with China. Similar to access to the U.S. market under the GSP program, development assistance and loans should be conditioned on countries that are reversing trade-irritant policies that undermine U.S. companies overseas.

Promote national power exports to high-growth/high-density Global South countries.
This report shows that the five largest Global South countries—Brazil, India, Indonesia, Mexico, and Turkey—account for a large share of the population and economies of developing countries: 42 percent and 47 percent, respectively. Other relevant Global South economies include Argentina, Nigeria, Saudi Arabia, South Africa, Thailand, the UAE, and Vietnam. Gaining market share in national power industries in these countries should be a top priority for U.S. foreign and trade policymakers.

While the Trump administration has already significantly improved diplomatic relations with some of these countries (Argentina and Saudi Arabia, for example), it needs to reinforce the importance of U.S. national power industries across all of these major Global South economies. Policy actions and approaches should be tailored on a case-by-case basis. U.S. influence in Mexico, for example, will always be driven by the size of the American economy and proximity (i.e., trade's law of gravity), but the 2026 review of the USMCA will be a key milestone in determining both countries' positions to compete with and counter the PRC's mercantilism. Promoting U.S. national power industries in Thailand, on the other hand, requires a different approach. Thailand is a longtime U.S. ally, but unfortunately, it is increasingly engaging in military-to-military cooperation with China.[142]

In this context, the Department of State should lead a coalition of Western countries to increase allied market share in national power industries in Global South markets—prioritizing high-growth/high-density markets. At first, it will be challenging to establish common goals among economies competing for market share in third markets—all in all, American and German carmakers would benefit if the other faced more difficulty expanding its footprint in Global South markets. In this context, the first approach should address how Chinese mercantilism is expressed in the Global South—with dual-use infrastructure projects and flooding markets to block potential competitors, what is called the "premature deindustrialization" in developing economies. This coalitional work should encompass all areas of foreign affairs—from securing safe supply chains through loans and development assistance to people-to-people exchange programs that raise awareness of the consequences of Chinese mercantilism for the development paths of emerging countries.

Promote the economic and security benefits of adopting the U.S. AI stack.
The Trump administration has made significant efforts to promote the global adoption of U.S. AI, such as the Department of Commerce's "American AI Exports Program," which promotes the export of U.S.-built AI technology, and the State Department's "Pax Silica" initiative, which is endorsed by Australia, Israel, Japan, the Netherlands, South Korea, the UAE, and the United Kingdom to build a secure global supply chain for AI, semiconductors, and critical minerals.[143] The U.S. government should develop a coordinated trade and diplomatic effort to integrate countries from the Global South into its trusted AI ecosystem and deny China's expansion into these markets.[144]

Urge Global South countries to adopt FDI screening and transparency standards that are compatible with a safe and secure supply chain to U.S. national power industries.
The White House should incorporate investment screening into ongoing trade negotiations. As China's national power exports and investments in the Global South grow, U.S. supply chains become more exposed to the PRC. Chinese telecommunications companies, such as Huawei, are ubiquitous in 4G and 5G networks in emerging economies, and BRI funds and loans target infrastructure and mining investments in countries such as Indonesia and Peru. Chinese-controlled logistics increase vulnerabilities to U.S. investments, thereby making it harder to reliably access this country's supply chain.

The U.S. government has implemented programs to address this problem. For example, the first Trump administration's Clean Network Initiative, despite problematic elements, such as calls to remove trusted U.S. apps from Chinese mobile app stores, went in this direction.[145] The initiative was a diplomatic effort with two components addressing the PRC's presence in foreign countries' telecommunications networks: the "Clean Carrier" program to ensure that no Chinese carriers provide international telecommunications services between the United States and foreign destinations, and the "Clean Cable" program to prevent China from gathering intelligence from undersea cables.[146] Some Global South countries, such as Brazil and Ecuador, initially endorsed this initiative.[147]

The United States needs a similar, broader initiative on FDI screening and transparency standards in the Global South, led by the Department of States. Establishing standards to share FDI screening information—or using pre-approved vendors through "know-your-customer" schemes—overseas would have multiple benefits. First, it would help identify (or deter) the final beneficiaries of Chinese FDI—often linked to the PRC's civic-military sector. Second, it would facilitate complementary investments in U.S. industries; for example, safe and secure assembly, testing, and packaging supply chains in Latin America can feed semiconductor foundries in the United States. Third, it would ease transaction costs for American companies investing in the Global South, as they would be supported by the U.S. diplomatic apparatus.

CONCLUSION

The United States and China are competing for global market share in national economic power industries, as scale is needed to offset initial R&D investment and reinvest in new technologies. Countries in the Global South play a key role in this zero-sum competition, accounting for over 60 percent of the world's population—and they will account for 45 percent of the world's economy by the middle of the century.

The U.S.-China techno-economic competition will define the remainder of the 21st century—and there is still time for U.S. policymakers to reverse this trend. The first step is to stop treating Global South economies as a "backyard" and to recognize them as a key battlefield in the industrial war.

APPENDIX 1. LIST OF COUNTRIES CONSIDERED "GLOBAL SOUTH" IN THIS REPORT

Country	Region
Afghanistan	MENA & Central Asia
Algeria	MENA & Central Asia
Angola	Sub-Saharan Africa
Antigua and Barbuda	Latin America & Caribbean
Argentina	Latin America & Caribbean
Armenia	MENA & Central Asia
Aruba	Latin America & Caribbean
Azerbaijan	MENA & Central Asia
The Bahamas	Latin America & Caribbean
Bahrain	MENA & Central Asia
Bangladesh	Asia and the Pacific
Barbados	Latin America & Caribbean
Belize	Latin America & Caribbean
Benin	Sub-Saharan Africa
Bhutan	Asia and the Pacific
Bolivia	Latin America & Caribbean
Botswana	Sub-Saharan Africa
Brazil	Latin America & Caribbean
Brunei Darussalam	Asia and the Pacific
Burkina Faso	Sub-Saharan Africa
Burundi	Sub-Saharan Africa
Cabo Verde	Sub-Saharan Africa
Cambodia	Asia and the Pacific
Cameroon	Sub-Saharan Africa
Central African Republic	Sub-Saharan Africa
Chad	Sub-Saharan Africa
Chile	Latin America & Caribbean

Country	Region
Colombia	Latin America & Caribbean
Comoros	Sub-Saharan Africa
Democratic Republic of the Congo	Sub-Saharan Africa
Republic of the Congo	Sub-Saharan Africa
Costa Rica	Latin America & Caribbean
Côte d'Ivoire	Sub-Saharan Africa
Djibouti	MENA & Central Asia
Dominica	Latin America & Caribbean
Dominican Republic	Latin America & Caribbean
Ecuador	Latin America & Caribbean
Egypt	MENA & Central Asia
El Salvador	Latin America & Caribbean
Equatorial Guinea	Sub-Saharan Africa
Eritrea	Sub-Saharan Africa
Eswatini	Sub-Saharan Africa
Ethiopia	Sub-Saharan Africa
Fiji	Asia and the Pacific
Gabon	Sub-Saharan Africa
The Gambia	Sub-Saharan Africa
Georgia	MENA & Central Asia
Ghana	Sub-Saharan Africa
Grenada	Latin America & Caribbean
Guatemala	Latin America & Caribbean
Guinea	Sub-Saharan Africa
Guinea-Bissau	Sub-Saharan Africa
Guyana	Latin America & Caribbean
Haiti	Latin America & Caribbean
Honduras	Latin America & Caribbean

Country	Region
India	Asia and the Pacific
Indonesia	Asia and the Pacific
Iraq	MENA & Central Asia
Jamaica	Latin America & Caribbean
Jordan	MENA & Central Asia
Kazakhstan	MENA & Central Asia
Kenya	Sub-Saharan Africa
Kiribati	Asia and the Pacific
Kuwait	MENA & Central Asia
Kyrgyz Republic	MENA & Central Asia
Lao P.D.R.	Asia and the Pacific
Lebanon	MENA & Central Asia
Lesotho	Sub-Saharan Africa
Liberia	Sub-Saharan Africa
Libya	MENA & Central Asia
Madagascar	Sub-Saharan Africa
Malawi	Sub-Saharan Africa
Malaysia	Asia and the Pacific
Maldives	Asia and the Pacific
Mali	Sub-Saharan Africa
Marshall Islands	Asia and the Pacific
Mauritania	Sub-Saharan Africa
Mauritius	Sub-Saharan Africa
Mexico	Latin America & Caribbean
Micronesia	Asia and the Pacific
Mongolia	Asia and the Pacific
Morocco	MENA & Central Asia
Mozambique	Sub-Saharan Africa

Country	Region
Myanmar	Asia and the Pacific
Namibia	Sub-Saharan Africa
Nauru	Asia and the Pacific
Nepal	Asia and the Pacific
Nicaragua	Latin America & Caribbean
Niger	Sub-Saharan Africa
Nigeria	Sub-Saharan Africa
Oman	MENA & Central Asia
Pakistan	MENA & Central Asia
Palau	Asia and the Pacific
Panama	Latin America & Caribbean
Papua New Guinea	Asia and the Pacific
Paraguay	Latin America & Caribbean
Peru	Latin America & Caribbean
Philippines	Asia and the Pacific
Qatar	MENA & Central Asia
Rwanda	Sub-Saharan Africa
Samoa	Asia and the Pacific
São Tomé and Príncipe	Sub-Saharan Africa
Saudi Arabia	MENA & Central Asia
Senegal	Sub-Saharan Africa
Seychelles	Sub-Saharan Africa
Sierra Leone	Sub-Saharan Africa
Solomon Islands	Asia and the Pacific
Somalia	Sub-Saharan Africa
South Africa	Sub-Saharan Africa
South Sudan	Sub-Saharan Africa
Sri Lanka	Asia and the Pacific

Country	Region
St. Kitts and Nevis	Latin America & Caribbean
St. Lucia	Latin America & Caribbean
St. Vincent and the Grenadines	Latin America & Caribbean
Sudan	Sub-Saharan Africa
Suriname	Latin America & Caribbean
Syria	MENA & Central Asia
Tajikistan	MENA & Central Asia
Tanzania	Sub-Saharan Africa
Thailand	Asia and the Pacific
Timor-Leste	Asia and the Pacific
Togo	Sub-Saharan Africa
Tonga	Asia and the Pacific
Trinidad and Tobago	Latin America & Caribbean
Tunisia	MENA & Central Asia
Turkey	MENA & Central Asia
Turkmenistan	MENA & Central Asia
Tuvalu	Asia and the Pacific
Uganda	Sub-Saharan Africa
United Arab Emirates	MENA & Central Asia
Uruguay	Latin America & Caribbean
Uzbekistan	MENA & Central Asia
Vanuatu	Asia and the Pacific
Venezuela	Latin America & Caribbean
Vietnam	Asia and the Pacific
West Bank and Gaza	MENA & Central Asia
Yemen	MENA & Central Asia
Zambia	Sub-Saharan Africa
Zimbabwe	Sub-Saharan Africa

APPENDIX 2. NATIONAL POWER INDUSTRIES AT SITC REV. 2 FOUR-DIGIT CLASSIFICATION

The list of national power industries is based on 581 goods across the divisions described below, using SITC (Standard International Trade Classification) Rev. 2 at the four-digit level. Not all the articles within a four-digit division are necessarily national power industry goods.

SITC Rev 3	Division Title
23	Crude rubber (including synthetic and reclaimed)
24	Cork and wood
26	Textile fibres (other than wool tops and other combed wool) and their wastes (not manufactured into yarn or fabric)
27	Crude fertilisers, other than those of division 56, and crude minerals (excluding coal, petroleum and precious stones)
28	Metalliferous ores and metal scrap
29	Crude animal and vegetable materials, n.e.s.
32	Coal, coke and briquettes
33	Petroleum, petroleum products and related materials
34	Gas, natural and manufactured
35	Electric current
43	Animal or vegetable fats and oils, processed; waxes of animal or vegetable origin; inedible mixtures or preparations of animal or vegetable fats and oils, n.e.s.
51	Organic chemicals
52	Inorganic chemicals
53	Dyeing, tanning and colouring materials
54	Medical and pharmaceutical products
55	Essential oils and resinoids and perfume materials; toilet, polishing and cleaning preparations
56	Fertilizers (other than those of group 272)
57	Plastics in primary forms
58	Plastics in non-primary forms
59	Chemical materials and products, not elsewhere specified (n.e.s.)
62	Rubber manufactures, n.e.s.
63	Cork and wood manufactures (excluding furniture)

SITC Rev 3	Division Title
64	Paper, paperboard and articles of paper pulp, of paper or of paperboard
65	Textile yarn, fabrics, made-up articles, n.e.s., and related products
66	Non-metallic mineral manufactures, n.e.s.
67	Iron and steel
68	Non-ferrous metals
69	Manufactures of metals, n.e.s.
71	Power generating machinery and equipment
72	Machinery specialised for particular industries
73	Metal working machinery
74	General industrial machinery and equipment, n.e.s., and machine parts, n.e.s.
75	Office machines and automatic data processing machines
76	Telecommunications and sound recording and reproducing apparatus and equipment
77	Electrical machinery, apparatus and appliances, n.e.s., and electrical parts thereof (including non-electrical counterparts n.e.s. of electrical household type equipment)
78	Road vehicles (including air-cushion vehicles)
79	Other transport equipment
81	Prefabricated buildings; sanitary plumbing, heating and lighting fixtures and fittings, n.e.s.
82	Furniture and parts thereof; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings
83	Travel goods, handbags and similar containers
84	Articles of apparel and clothing accessories
87	Professional, scientific and controlling instruments and apparatus, n.e.s.
88	Photographic apparatus, equipment and supplies and optical goods, n.e.s.; watches and clocks
89	Miscellaneous manufactured articles, n.e.s.
97	Gold, non-monetary (excluding gold ores and concentrates)

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ENDNOTES

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