

Trade Frictions China Facing

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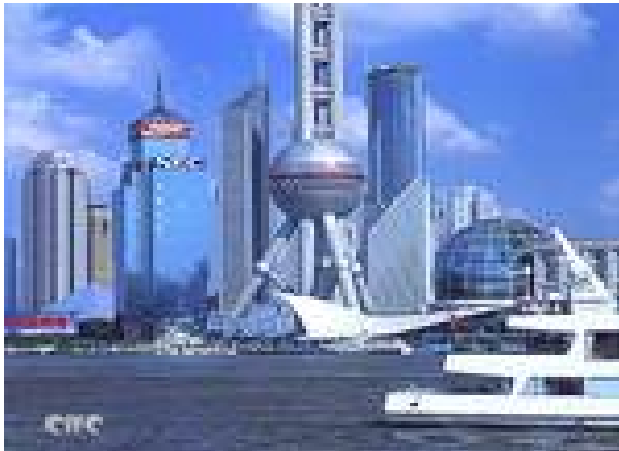
Main Contents

- Do you know China well ?
- The Economic Performance that China Has Achieved
- China's Foreign Trade
- Trade Frictions China Facing
- Sino-Latin American Trade Relationship
- Bilateral Trade between China and Mexico
- Trade Protectionism

Trade Frictions China Facing

1. Do you know China well ?

1. Do you know China well?



- Do you know where it is?
- It's the City of Shanghai.

1. Do you know China well?



- Do you know where it is?
- It's the Capital of China-Beijing.

1. Do you know China well?



- Do you know where it is ?
- It's the City of Chongqing.

1. Do you know China well?



- Do you know where it is ?
- It's the City of Shenzhen.

Questions :

- **Chinese Cities Are Very Modern ?**
- **China Is A Developed Country ?**
- **China Has Achieved Much in Last 60 Years?**
- **Are you familiar with China ?**

My Answers:



- Article: China's Identity, China's Responsibility and China's Obligation
World Knowledge,
2007, Beijing, China

Trade Frictions China Facing

2. The Economic Performance that China Has Achieved

2. The Economic Performance China Has Achieved

- Annual Economic Growth Rate in last 10 years over 10%;
- 2010, China Exceeded Japan and Became the Second Biggest Economy in the World;
- 2009, China Has Become the biggest Exporter Worldwide;
- Until now, China's Total Foreign Reserve over 2.5 Trillion US \$;

Trade Frictions China Facing

3. China's Foreign Trade

3. China's Foreign Trade

- China's Total Foreign Trade Volume
- China's Exporting Destinations
- China's Importing Resources
- The Contribution of Foreign Trade to China's Economy

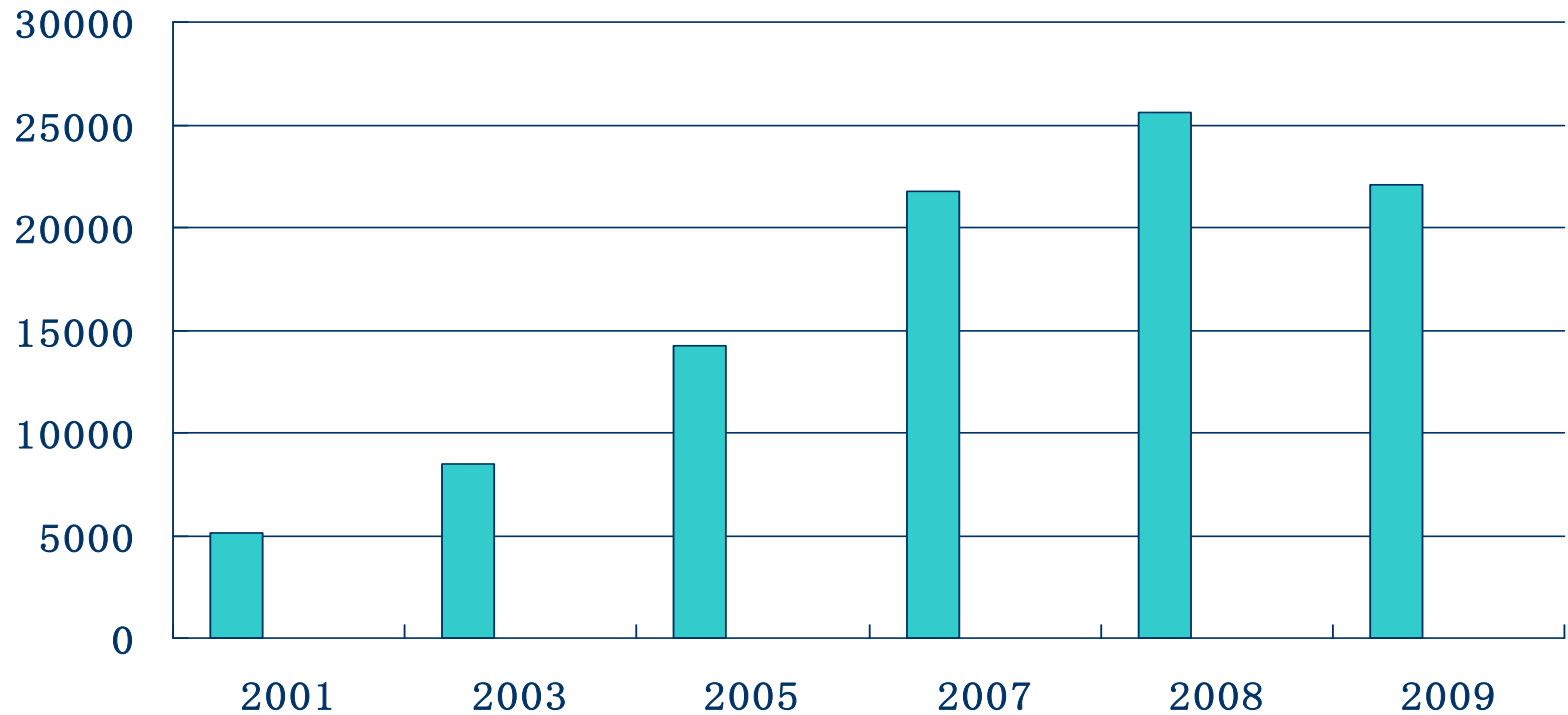
3. China's Foreign Trade

2001-2010 China's Foreign Trade (100 Million US \$)

Year	Total Foreign Trade		Export		Import		Balance
	Total Volume	(%)	Volume	(%)	Volume	(%)	
2001	5096.51	7.5	2660.98	6.8	2435.53	8.2	225.45
2002	6207.66	21.8	3255.96	22.4	2951.70	21.2	304.26
2003	8512.07	37.1	4383.71	34.6	4128.36	39.9	255.34
2004	11547.92	35.7	5933.69	35.4	5614.23	36.0	319.46
2005	14221.18	23.2	7619.99	28.4	6601.18	17.6	1018.81
2006	17606.86	23.8	9690.73	27.2	7916.14	20.0	1774.59
2007	21738.33	23.5	12180.15	25.7	9558.18	20.8	2621.96
2008	25616.32	17.8	14285.46	17.2	11330.86	18.5	2954.59
2009	22072.19	-13.9	12016.63	-16.0	10055.55	-11.2	1961.08
2010.1-3	6178.48	44.1	3161.69	28.7	3016.80	64.6	144.89

3. China's Foreign Trade

2001-2009 China's Foreign Trade (100 Million US \$)



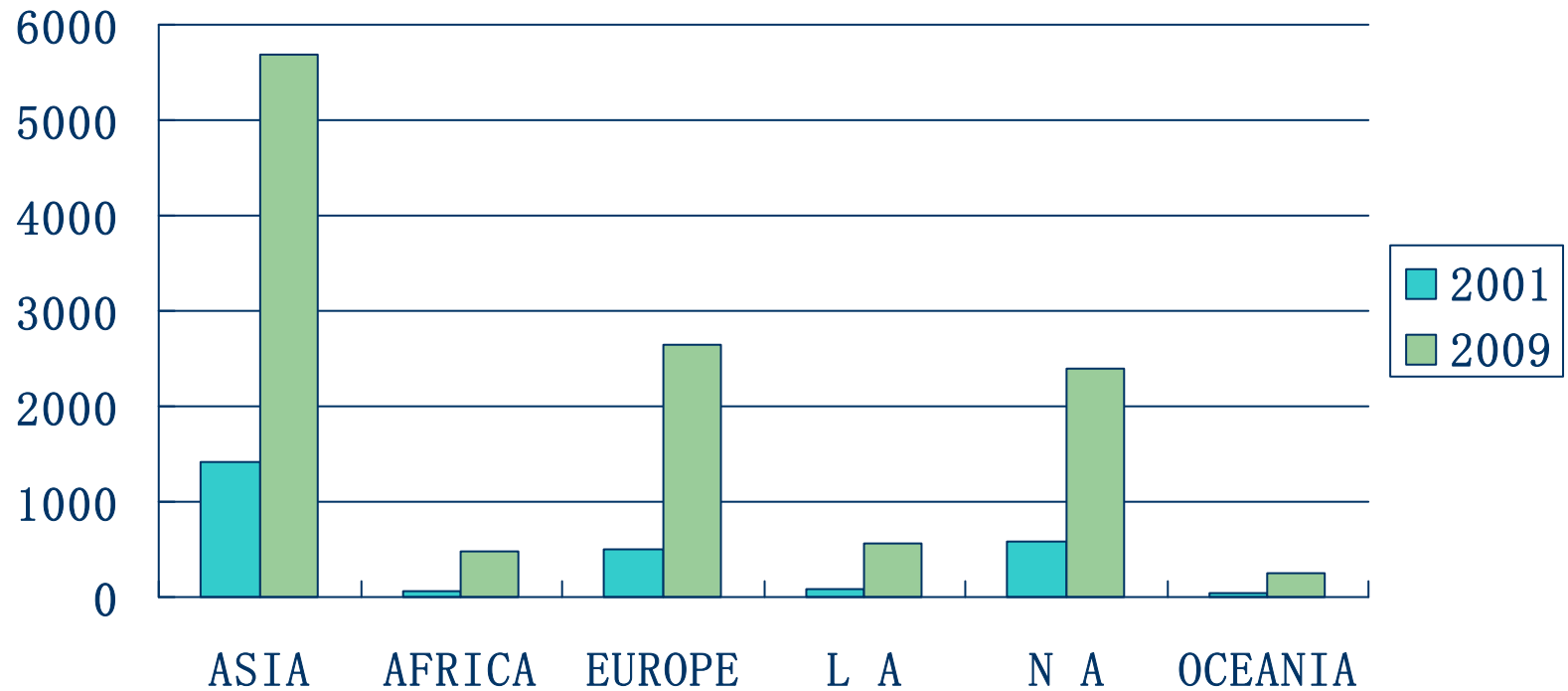
3. China's Foreign Trade

China's Exporting Destinations

(100 Million US \$)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010. 1-3
Total V	2660.98	3255.96	4383.71	5933.69	7619.99	9690.73	12180.15	14285.46	12016.63	3161.69
Asia	1409.18	1703.59	2226.06	2955.00	3664.31	4558.36	5680.11	6632.95	5685.97	1475.08
Africa	60.06	69.61	101.84	138.16	186.83	266.90	372.90	508.40	477.36	126.36
Europe	492.28	592.22	882.73	1224.02	1656.37	2153.72	2878.82	3428.91	2647.34	736.80
EU	408.96	482.12	721.55	1071.62	1437.12	1860.01	2451.92	2928.78	2362.84	653.73
LA	82.36	94.88	118.79	182.42	236.83	360.29	515.43	714.77	570.96	166.35
NA	576.37	742.69	981.39	1332.37	1746.77	2191.37	2521.84	2741.79	2385.68	590.50
US	542.80	699.46	924.74	1249.48	1629.00	2034.72	2327.04	2522.97	2208.16	544.50
Oceania	40.73	52.89	72.89	101.71	128.87	160.10	211.05	258.63	249.32	66.60

China's Exporting Destinations (100 Million US \$)



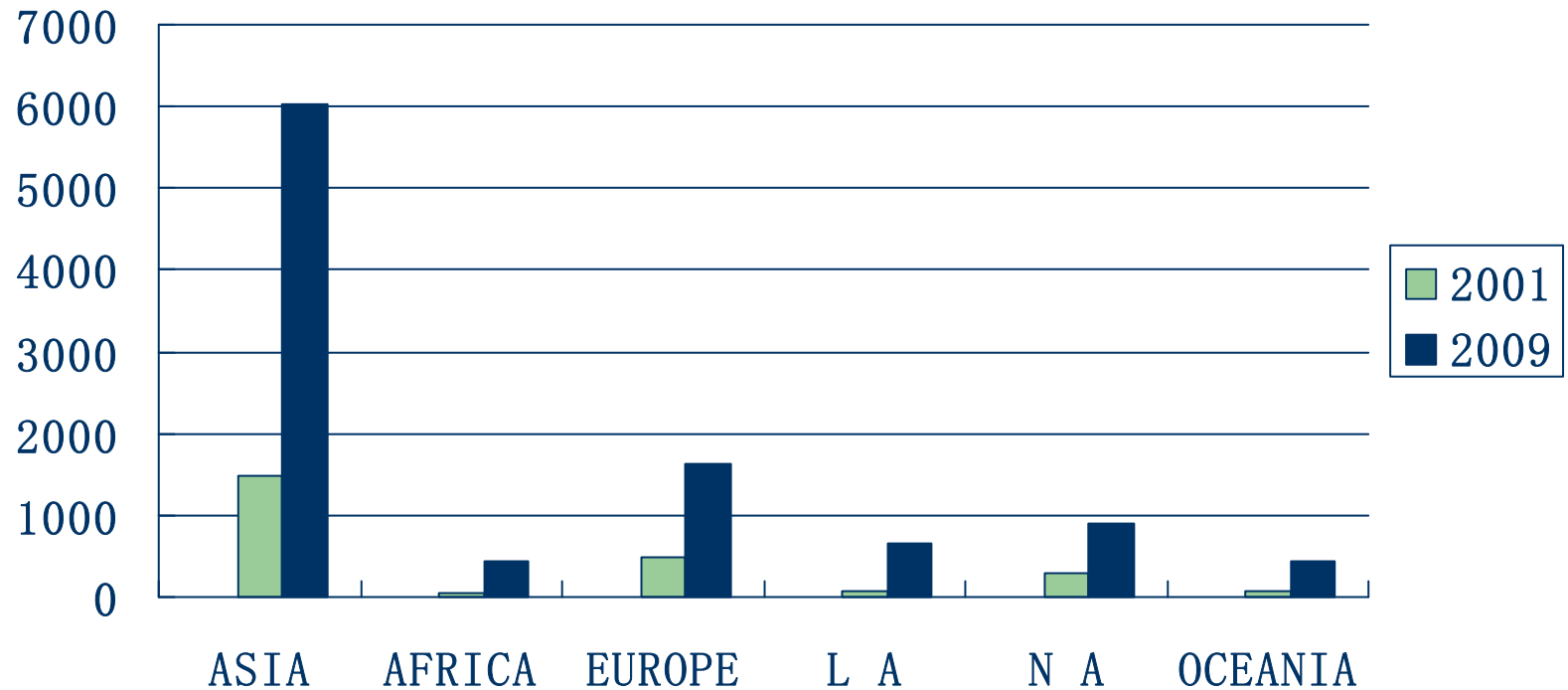
3. China's Foreign Trade

China's Importing Resources (100 Million US\$)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010. 1-3
Total	2435.53	2951.70	4128.36	5614.23	6601.18	7916.14	9558.1 9	11330. 8	10055. 5	3016.8 0
ASIA	1471.37	1902.83	2729.34	3695.27	4415.40	5255.04	6199.0 3	7026.5 7	6034.5 2	1806.4 3
AFRICA	47.93	54.27	83.61	156.46	210.63	287.74	362.83	560.02	433.30	151.80
EUROPE	483.90	534.12	697.44	890.41	964.47	1148.58	1396.8 4	1680.9 6	1621.6 7	498.25
EU	357.12	385.43	530.62	701.24	735.95	903.19	1109.6 0	1327.0 0	1277.5 8	360.94
LA	67.02	83.36	149.27	217.85	267.75	341.89	510.68	719.09	644.44	165.98
NA	302.39	308.77	382.58	520.53	562.67	669.24	803.97	942.09	895.14	264.64
US	262.00	272.38	338.61	446.79	487.26	592.09	693.79	814.40	774.43	236.59
OCEANIA	62.92	68.34	86.00	133.34	180.07	213.21	284.25	401.61	426.12	129.55

3. China's Foreign Trade

China's Importing Resources (100 Million US\$)



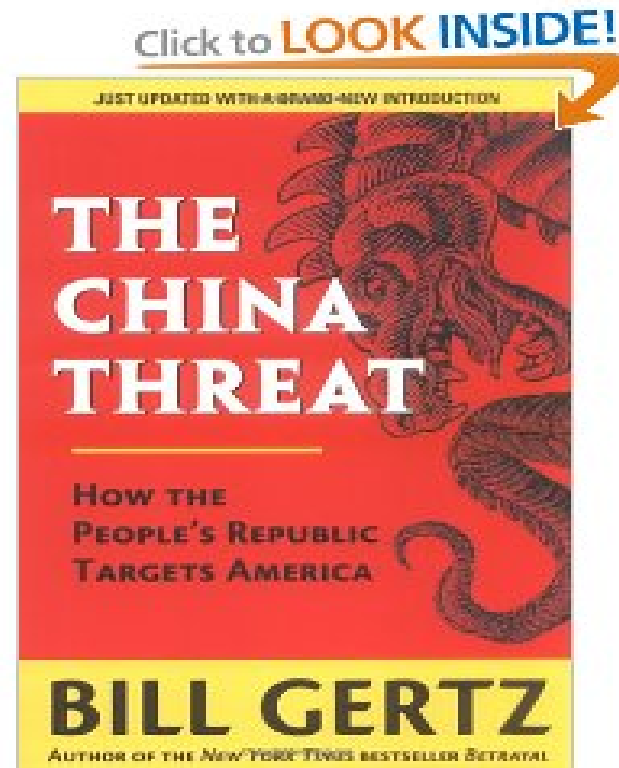
3. China's Foreign Trade

China's International Trade Dependent Degree

Year	Foreign Trade %	Export %	Import %
1985	22.8	9.0	13.8
1988	25.6	11.8	13.8
1991	33.4	17.7	15.7
1994	42.3	21.6	20.7
1997	34.1	19.2	14.9
2000	39.6	20.8	18.8
2003	51.9	26.7	25.2
2006	67.0	36.9	30.1
2007	66.2	37.1	29.1

3. China's Foreign Trade

Pro or Con China's Economy



Questions :

- **The Fast Growing Chinese Economy benefits the Whole World ?**
- **We Are Enjoying the Goods Made in China ?**
- **Chinese Products = Cheap and Low Quality ?**
- **China Is the Competitor of My Country ?**

Answers:

- According to the **World Bank** resources, 2003 to 2005, China's average contribution to the world GDP growth was 13.8%, only behind US's 29.8%, and ranking the second worldwide.
- 2008, China's contribution to the world economic growth was 20%.
- German ***Economy week*** said that "in the last 10 years, China's contribution to the world economic growth reached 22%, while that of US's was only 17%".

Trade Frictions China Facing

4. Trade Frictions China Facing

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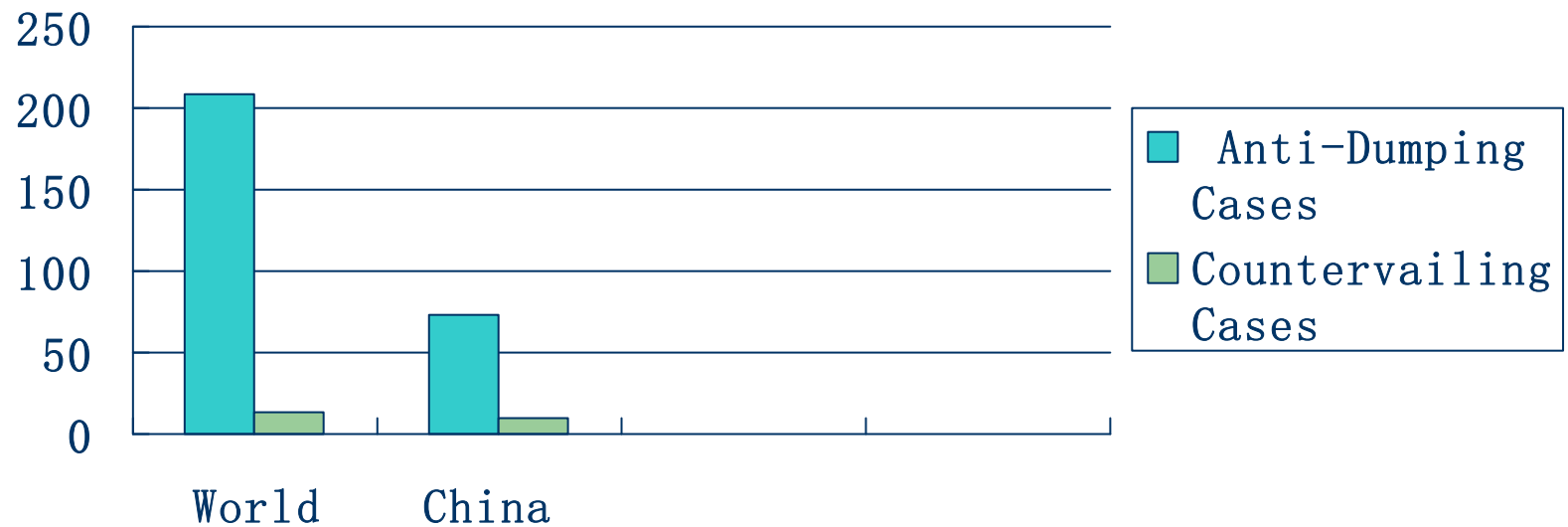
4.1 China Suffers Seriously From Trade Frictions

- In Terms of the Statistics Released by WTO in 2009, China has Suffered the most Cases from Anti-Dumping Policies in Continuous 14 Years and the Most Cases of Countervailing Policies in Recent Three Years.**

4. Trade Frictions China Facing

4.1 China Suffers Seriously From Trade Frictions

2008 New Anti-Dumping and Countervailing Cases
in the World



4. Trade Frictions China Facing

4.1 China Suffers Seriously From Trade Frictions

- In 2009, China Export Products faced **116** Trade Remedy Investigations including 76 Anti-Dumping Cases, **13** Countervailing Cases, **20** Safeguards Measures and 7 (Transitional Product-specific Safeguard Mechanism) Special Safeguards Measures.
- The Volume of Chinese Products Related Above Mentioned Cases was over **12.7** Billion US \$.
- In 2009, US Also Conducted Eight “337” Investigations Cases.

4. Trade Frictions China Facing

4.2 Trade Frictions with Main Trading Partners

- **Sino-US Trade Relationship**
- **Sino-EU Trade Relationship**
- **Sino-Latin American Trade Relationship**

4. Trade Frictions China Facing

4.2 Trade Frictions with Main Trading Partners

4.2.1 Sino-US Trade Relationship

- **RMB Issues**
- **Trade Unbalance Problem**
- **Export Obstacles of US Side**
- **Political Issues Mixed with Economic Issues**
- **Midterm Election in US**

4. Trade Frictions China Facing

4.2 Trade Frictions with Main Trading Partners

4.2.1 Sino-US Trade Relationship

- Net Social Welfare=Consumer's Surplus +Producer's Surplus
- In last decade, the American Consumers Enjoyed USD 60 Millions Surplus, that means Chinese Products helped they save USD 60 Millions;
- In fact, while US suffers the Deficit of Manufacturing Trade, it enjoys the Surplus of Service Trade with China;
- In the October of 2009, China and US finished a Investigation Research on the Differences of Statistics of both Sides;

4.2.1 Sino-US Trade Relationship

Trade Remedy Measures implemented by US on Chinese Products (By July 2010)

	Chinese Products	Measures
1	Greige polyester cotton printcloth	Anti-Dumping
2	Potassium permanganate	Anti-Dumping
3	Chloropicrin	Anti-Dumping
4	Barium chloride	Anti-Dumping
5	Raw flexible magnets	Countervailing
.....
104	Magnesia Carbon Bricks	Countervailing

4.2.1 Sino-EU Trade Relationship

	Chinese Products	Date of Implementing
1	Steel ropes and cables	2004.10.30
2	Magnesia (deadburned)	2006.5.12
3	Bicycles	2005.7.14
.....
152	Molybdenum wires	2009.12.18

- By March 2010, EU Has Conducted **152** Investigations Cases on Chinese Products including **149** Anti-Dumping Cases, **2** Safeguards Measures Cases and Special Safeguards Measures
- **56** Cases Are Being Implemented.

Trade Frictions China Facing

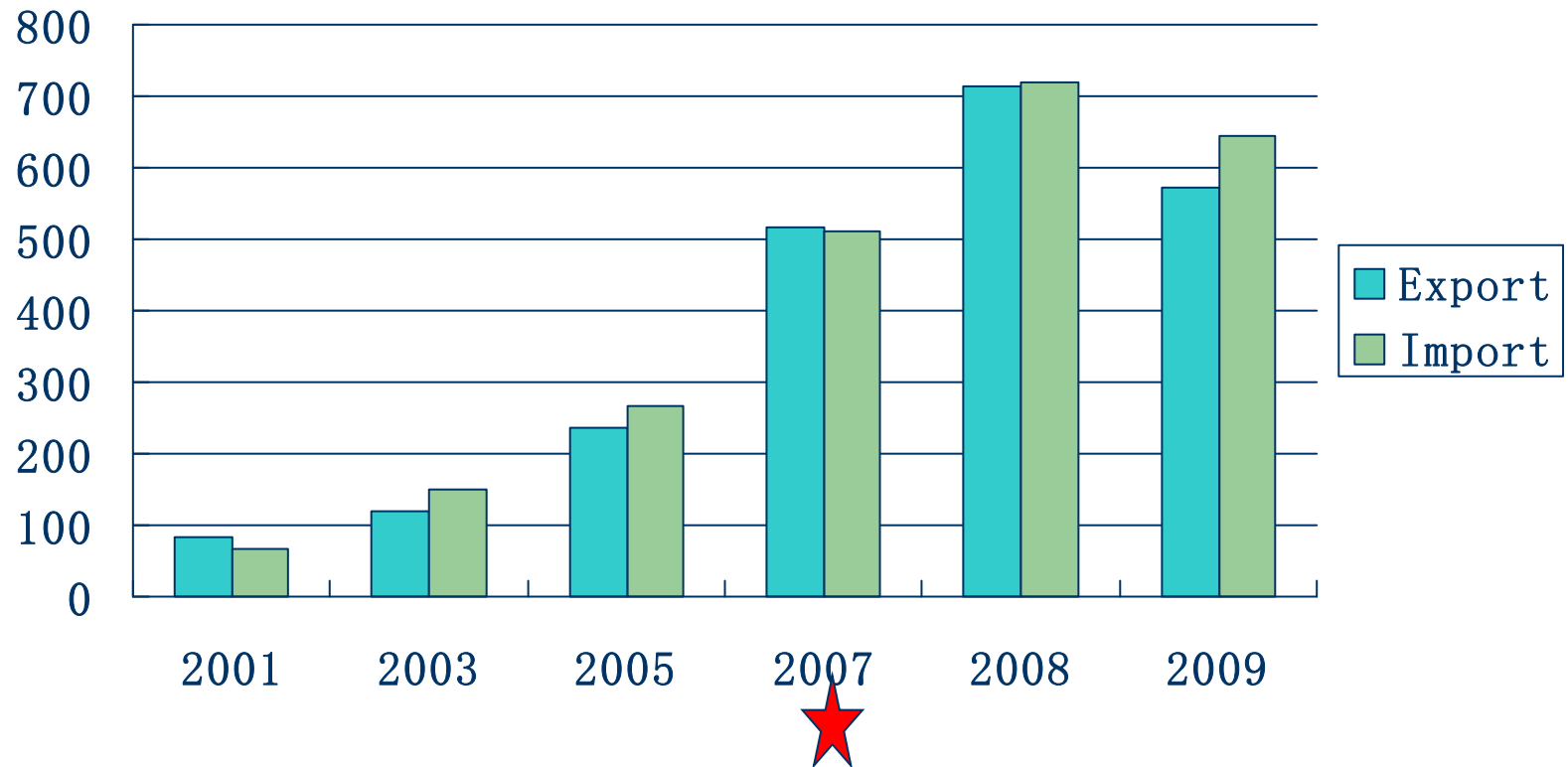
5. Sino-Latin American Trade Relationship

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- **Bilateral Trade Volume**
- **Trade Frictions between Two Sides**
- **Trade Relationship among China and the There Biggest Countries in the Region**

5. Sino-Latin American Trade Relationship

5.1 China's Export & Import with Latin America



5. Sino-Latin American Trade Relationship

5.2 Trade Remedy Measures Taken by Latin American Countries (1)

- According to a statistics, during **1979-2010**, foreign countries conducted **1375** trade remedy investigation cases to Chinese products, and **318** cases from Latin American Countries, especial from Brazil, Mexico and Argentina.
- The measures adopted by Latin American Countries are anti-dumping, countervailing and special safeguard.
- In 2009, Latin American Countries conducted **36** trade remedy measures cases to Chinese products, increased **8** cases compared with 2008 and was **3.6** times of those in 2007.

Trade Frictions China Facing

6. Bilateral Trade Relationship between China and Mexico

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- **Bilateral Trade Volume**
- **Trade Remedy Measures initiated by Mexico**
- **Some Problems between Two Sides**

6. Bilateral Trade Relationship between China and Mexico

6.1 Bilateral Trade Volume (1)

- According to China Customs, the bilateral trade volume between China and Mexico in 2009 was USD 16.18 billion, down by 7.8% from 2008. China's exports to Mexico accounted for USD12.30billion, an 11.3% decrease;
- China's imports from Mexico increased 5.2% to USD 3.88 billion.
- China ran a surplus of USD 8.42 billion with Mexico.

6. Bilateral Trade Relationship between China and Mexico

6.1 Bilateral Trade Volume (2)

- According to Mexican Statistics, the bilateral trade volume between China and Mexico in 2009 was USD 34.74 billion;
- Mexico's exports to China accounted for USD 22.2 billion;
- Mexico's imports from China was USD 32.53 billion.
- Mexico suffered deficit of USD 30.31 billion with China.

Questions:

- Are you satisfied with the development of Sino-Latin American bilateral trade ?
- Both China and Latin America are important trade partners to each other's ?
- How do you think about the future of both sides between China and Latin America ?

My Answers:



- Paper: Analysis on Current Sino-Latin American Economic Relations, *Journal of Latin American Studies*, No.3, 2010, Beijing, China

6. Bilateral Trade Relationship between China and Mexico

6.2 Trade Remedy Measures initiated by Mexico

- **Mexico has initiated 41 anti-dumping investigations against Chinese products by the end of 2009.**
- **As one of the top ten initiators against Chinese products, Mexico's investigations mainly concern metal products (especially steel and iron); chemical and plastic products; textiles and clothing; machinery equipments; shoes, hats and toys.**

6. Bilateral Trade Relationship between China and Mexico

6.3 Some Problems between Two Sides

- **The differences of statistics between two sides;**
- **Mexico's refusal to recognize China as a market economy;**

Trade Frictions China Facing

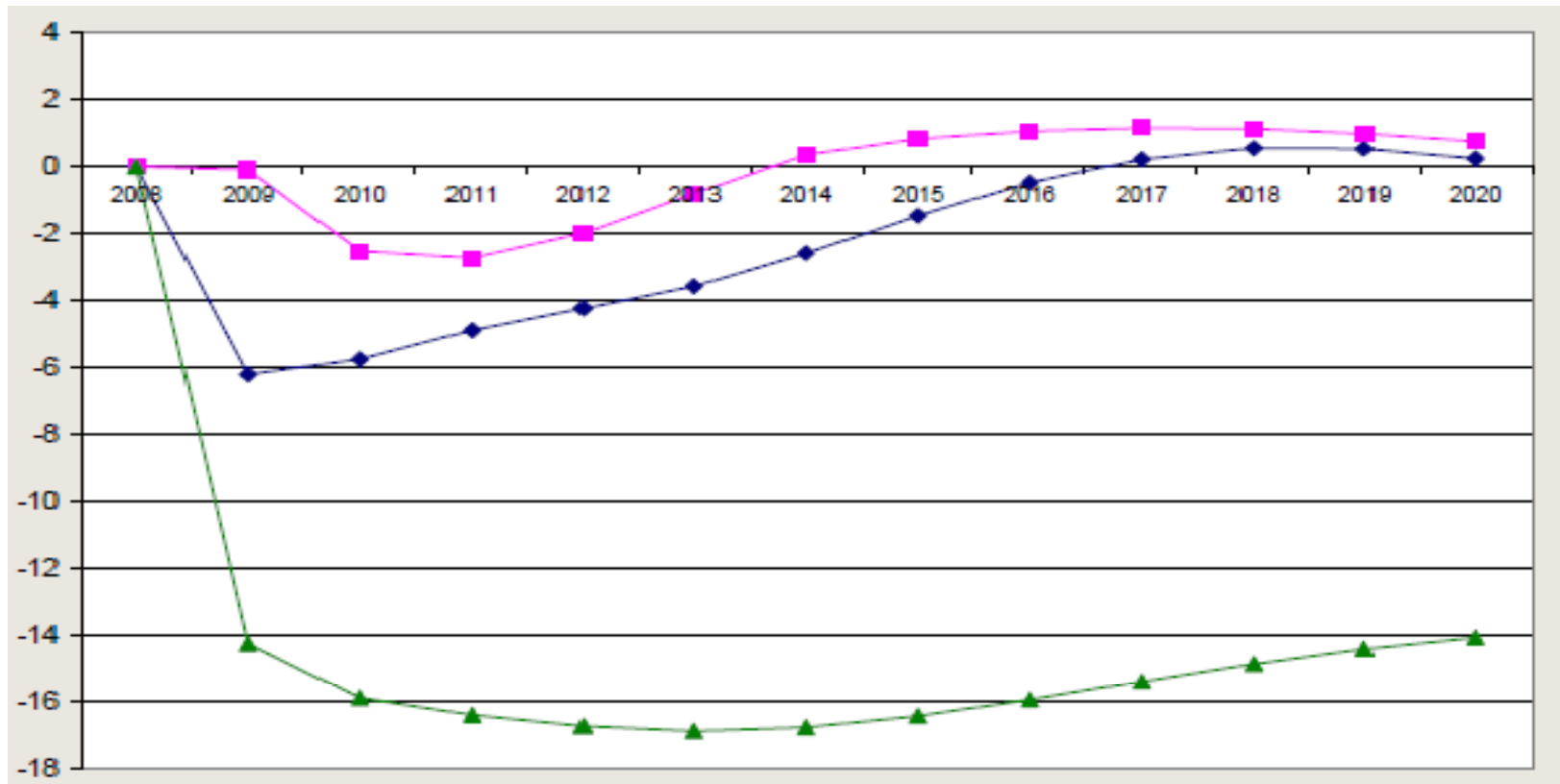
7. Trade Protectionism

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- **Could the World benefit from the Trade Protectionism ?**
- **How about Surplus of the Country ,which initiated the Protectionism Policies ?**
- **China's Attitudes to the Protectionism**







7. Trade Protectionism

7.1 The Effect of Trade Protectionism on World Trade

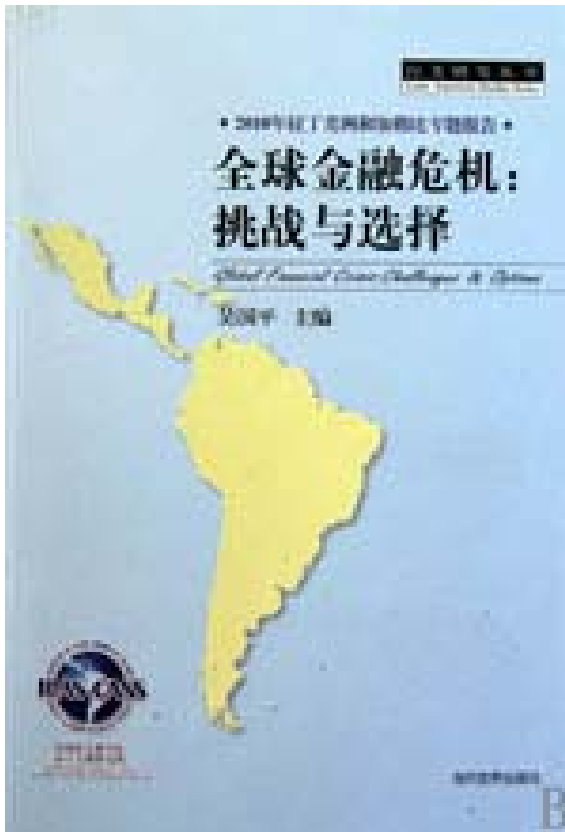


7. Trade Protectionism

7.1 The Effect of Trade Protectionism on World Trade

	WORLD	US	JAPAN	EUROPE	CHINA	INDIA
US	-1.28	 -0.28	 -0.05	-0.25	-0.04	-0.01
JAPAN	-1.69	-0.36	 -0.65	-0.15	-0.12	0.00
UK	-2.12	-0.25	-0.02	-1.48	-0.02	-0.01
GERMANY	-3.80	-0.33	-0.04	-2.64	-0.04	-0.01
EURO AREA	-2.93	-0.30	-0.05	-1.84	-0.03	-0.01
CANADA	-2.20	-1.76	-0.04	-0.27	-0.02	-0.01
AUSTRALIA	-1.36	-0.34	-0.15	-0.32	-0.09	-0.02
CHINA	-4.26	-0.93	-0.29	-0.29	 -1.12	 -0.01
INDIA	-1.55	-0.20	-0.03	-0.22	-0.03	 -0.61
OTHER ASIAN COUNTRIES	-3.86	-0.98	-0.18	-0.32	-0.42	-0.02
LATIN AMERICA	-1.63	-1.32	-0.03	-0.26	-0.03	-0.01

7. Trade Protectionism



- Paper: The Emergence of Trade Protectionism of Latin American Countries Facing the Financial Crisis,
Global Financial Crisis: Challenges and Options, 2010, Beijing, China

7. Trade Protectionism

7.3 China's Position

- **According to Global Trade Alert (GTA), China has been the Country, who Suffered Most Seriously by the Trade Protectionism in the World.**
- **China against all kinds of protectionism**
- **China established Trade Negotiation Office in 2009**

7. Trade Protectionism

7.3 China's Position

- **One Video: Made in China and Made With China**
- **Please Enjoy it**

THE END

THANK YOU

