

Trade of China



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Trade has become an increasingly important part of China's overall economy, and it has been a significant tool used for economic modernization. The direction of China's foreign trade has undergone marked changes since the early 1950s.

In 1950 some three-fourths of the total was accounted for by trade with noncommunist countries, but by 1954—one year after the end of hostilities during the Korean War—the situation was completely reversed, and communist countries accounted for about three-fourths. During the next few years, the communist world lost some of its former importance, but it was only after the Sino-Soviet breach of 1960—which resulted in the cancellation of Soviet credits and the withdrawal of Soviet technicians—that the noncommunist world began to see a rapid improvement in its position. In 1965, China's trade with other socialist countries made up only about one-third of the total.

A significant part of China's trade with the developing countries has been financed through credits, grants, and other forms of assistance. At first, from 1953 to 1955, aid went mainly to North Korea and North Vietnam and some other communist states; but from the mid-1950s large amounts—mainly grants and long-term interest-free loans—were promised to politically uncommitted developing countries. The principal efforts were made in Asia—especially to Indonesia, Burma (Myanmar), Pakistan, and Ceylon (Sri Lanka)—but large loans were also granted in Africa (Ghana, Algeria, Tanzania) and in the Middle East (Egypt). After Mao Zedong's death in 1976, however, the Chinese scaled back such efforts.

During the 1980s and '90s, China's foreign trade came full cycle. Trade with all communist countries diminished to insignificance, especially with the demise of most socialist states. By contrast, trade with noncommunist developed and developing countries became predominant. In general, China has had a positive balance of trade with its trading partners since 1990. Hong Kong became one of China's major partners prior to its reincorporation into the country; it remains prominent in domestic trade, notably in its reliance on the mainland for agricultural products. Taiwan also has become an important trading partner.

Most of China's imports consist of machinery and apparatus (including semiconductors, computers, and office machines), chemicals, and fuels. The main import sources are Japan, Taiwan, South Korea, Australia, the countries of the European Union (EU), and the United States. Regionally, almost half of China's imports come from East and Southeast Asia, and some one-fourth of its exports go to the same countries.

China: Major import sourcesEncyclopædia Britannica, Inc.

The great bulk of China's exports consists of manufactured goods, of which electrical and electronic machinery and equipment and clothing, textiles, and footwear are by far the most important. Agricultural products, chemicals, and fuels are also significant exports. The United States, Hong Kong, Japan, EU countries, and South Korea are the principal export destinations.

China: Major export destinationsEncyclopædia Britannica, Inc.

Sources:

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