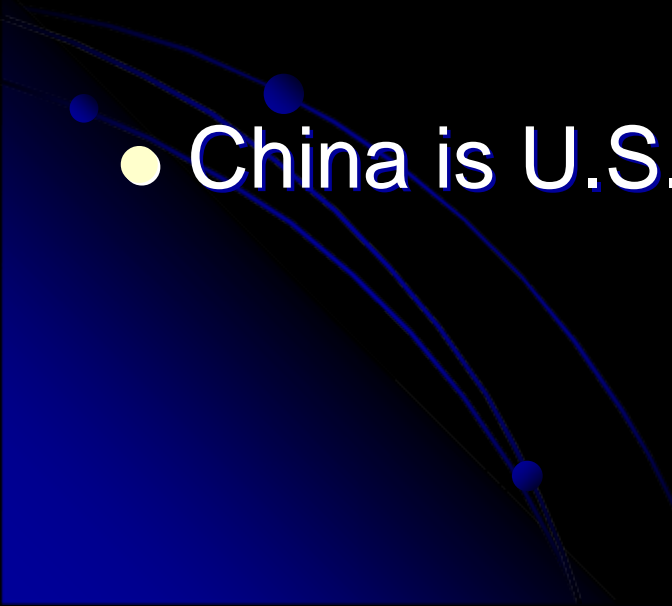


# **China's Trade Policy**

**Strategic Standardization  
CMGT**

**Jacquelyn Glover**

# Fast Facts

- In 1978 the Trade between the U.S. & China was at \$1 billion / year
  - Today trade is over \$170 billion/ year
  - China is U.S.'s 3<sup>rd</sup> largest trading partner
- 

# What China Exports

Steel & Metals	Petroleum	Construction	Plastic Goods
Uranium	Textile Products	Coal	Stones
Natural Gas	Adhesives	Kerosene	Cement
Ceramics	Surgical materials	Semiconductors	Packaging & Shipping
Electronics	Industrial Methanol	Air Conditioning	Rubber

# China : A Brief Trade Policy History

1910-1949:

- Foreign powers operate in treaty ports throughout costal areas to the US, England, Germany, & Japan

1950-1976:

- China failed to show support to the US during the Korean War. Therefore China turned to Moscow.

1977:

- An open door trade and investment policy is introduced

1978-1985:

- Foreign trade operations are decentralized. Trade represents 20% of it's grown nat'l. product.

1986-1989:

- China tries to market its new decentralized market to the World Trade Organization

1990-1998:

- Foreign investors grow tenfold

1999:

- China's global trade totals \$353 billion; its trade surplus is \$36 billion

2000:

- China reaches a bilateral WTO agreement

2001-2003:

- China becomes full member of WTO in December 2001

# The WTO

- World Trade Organization
  - The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business.

# China's Standards Groups

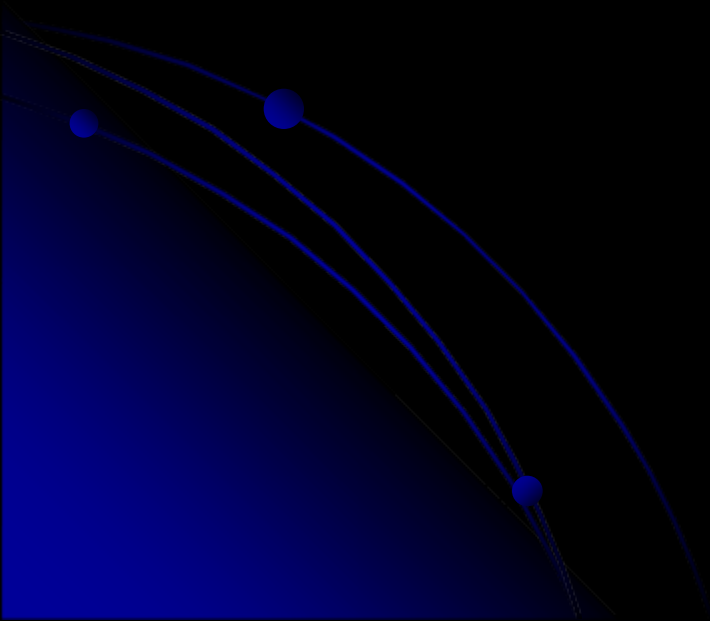
- After China joined the WTO it had to conform with standards from the following group
  - Administration for Quality Supervision Inspection & Quarantine (AQSIQ)
- China and the AQSIQ then set up a standards management group called:
  - the Standardization Administration of China (SAC):
    - Set up in 2001 as the governing body that improves the establishment and management of standards
- The China National Certification & Accreditation Commission (CNCA)
  - set up to establish, guide, implement, and supervises the compulsory product certification system
- All the above groups work in line with International Standardization:
  - facilitate the exchange of goods and services through the elimination of technical barriers to trade

# Trade in China: WTO

- When China decided to join the WTO in 2001 it helped in the following ways:
  - Enabling trade with more countries around the world
  - Rapidly increasing its role as a Global Leader
  - Trade Expansion into the WTO would lead to record employment rates and lower inflation
  - Joining would allow China to maintain its low prices for its consumers
  - Spurred Social progress and improved their human rights initiatives

# The Trade Policy Development

- The Trade Act of 1974 was modified with Section 421 by the U.S.-China Relations Act of 2000 to establish permanent normal trade relations



# The Future

- China could surpass other nations as the largest trading nation in the world
- China must adopt a consistent, long run policy that normalizes trade relation

