FOREWORD

The papers collected in this volume, number four in a series examining China’s entry to the world trade system, are from the final stage of a three-year research project between the Economics Division of the Research School of Pacific and Asian Studies at the ANU in Canberra and the Chinese Academy of Social Sciences (CASS) in Beijing. The project drew together experts from Australia, China, Japan, Korea and Southeast Asia.

In this volume Yang Shengming discusses the development strategy for China’s foreign trade in the 1990s. He argues that the infrastructure provided by increased levels of FDI has shifted China’s focus to producing quality exports of a higher grade, thus improving the momentum of China’s export growth rates. He also predicts that the import growth resulting from the easing of restrictions should help China to achieve greater equilibrium between import and export trade.

Zhong Chuanshui and Yongzheng Yang examine China’s textile and clothing exports in the post-Uruguay Round, a period in which China has emerged as the world’s largest exporter of clothing and second largest exporter of textiles, despite the restrictions it has encountered as a result of the Multi-fibre Arrangement (MFA). The gradual dismantling of the MFA is expected to lead to increases in world trade in textiles and clothing, with China gaining the greatest share.

Feng Lei and Yiping Huang analyse the implications of China’s trade reform for structural change and welfare in China and the rest of the world, finding that China is the biggest gainer from its own liberalisation. They predict that China’s labour-intensive sectors will expand but that others, including agriculture, will contract. Other economies which experience great adjustments are also main gainers. Multilateral trade liberalisation, such as the APEC free trade process, increases the gain for the rest of the world as well as for China.

Pei Changhong analyses the relationship between foreign direct investment and China’s trading system reform, finding that FDI has affected and continues to influence the direction and speed of reform of China’s trading system.

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