China's Exports since 1979

Hong Wang

Research Fellow, Department of Applied Economics University of Cambridge



Contents

Li	ist of Tables	ix
Li	List of Figures	
A	cknowledgements	xiii
Li	ist of Abbreviations	xiv
Introduction		
1	Historical Overview of China's Exports	14
	1.1 The Development of Exports before 19491.2 The Orientation towards the Soviet Bloc for	14
	Industrialisation in the 1950s	24
	1.3 The 1960s: A Decade of Stagnation 1.4 Severe Fluctuation of Exports in 1970–6	31 37
	1.5 Conclusion	42
2	Changes in Chinese Trade Theory since 1979	45
	2.1 Introduction	45
	2.2 The International Division of Labour	47
	2.3 The Function of Foreign Trade	58
	2.4 Exports in Economic Development	71
	2.5 Conclusion	81
3	Policy for Export Promotion in Post-1978 China	86
	3.1 Exchange Rate Policy	86
	3.2 Opening of the Special Economic Zones	99
	3.3 Management of Foreign Trade	110
	3.4 Conclusion	120
4	Macro-performance of China's Export Sector	122
	4.1 Aggregate Export Growth	122
	4.2 The Commodity Composition of Exports	128
	4.3 The Markets for Chinese Exports	137
	4.4 Conclusion	147

viii Contents

5	Expansion of China's Textile Exports	149
	5.1 Introduction	149
	5.2 Trends in Textile Exports	150
	5.3 World Trade in Textiles	152
	5.4 The Competitiveness of Chinese Textiles	157
	5.5 The Impact of Western Restrictions on China's	
	Textile Exports	166
	5.6 Conclusion	172
6	Development of China's Electronic Exports	174
	6.1 Introduction	174
	6.2 Growth and Commodity Composition	175
	6.3 The Market for Chinese Electronic Exports	180
	6.4 World Trade in Electronic Products	182
	6.5 The Competitiveness of Chinese Electronic	
	Products	187
	6.6 Conclusion	196
7	Conclusion	199
	7.1 General Assessment	199
	7.2 China's Exports and the World Economy	203
	7.3 Prospects for Chinese Exports	208
A_{i}	ppendices	211
N	Notes	
Bi	Bibliography	
In	Index	

List of Tables

1.1	China's merchandise exports, 1868–1936	16
K 1.2	Commodity composition of China's exports,	
	1880–1936	18
x 1.3	Direction of China's exports, 1868–1936	19
k 1.4	China's merchandise exports, 1937-45	21
K _{1.5}	Direction of China's exports, 1937-45	23
1.6	China's merchandise export, 1950-9	27
1.7	China's merchandise exports, 1960-9	31
1.8	Direction of China's exports, 1960-9	35
1.9	China's merchandise exports, 1970-6	39
1.10	Commodity composition of China's exports, 1970-6	40
1.11	Direction of China's exports, 1970-6	41
2.1	Correlation coefficients between export and	
	economic growth in China, 1953-88	79
2.2	Time series regression analyses of China's economic	
	growth, 1953–88	82
3.1	Real exchange rate index for China's exports,	
	1979–87	94
3.2	China's predicted and actual exports before and after	
	devaluation	96
3.3	Export supply regression analyses for China's	
	exports, 1980-8	97
3.4	Capital construction investment in China's SEZs,	
	1979–86	104
3.5	Foreign investment in Shenzhen SEZ, 1979–87	105
3.6	Export value from China's SEZs, 1979-87	106
3.7	Channels of China's exports, 1978–88	118
4.1	China's merchandise exports, 1959-88	123
4.2	China's exports and share of world total for major	
	commodity group, 1978, 1983 and 1988	125
4.3	Ratio of merchandise export to GNP, 1978 and 1988	126
4.4	Average annual real growth rate of exports of	
	different areas	127
4.5	Hirschman concentration index for China's export	
	composition, 1978–88	129
46	Commodity composition of China's exports 1979–88	130

4./	Hirschman concentration index for China's export	120
4.8	markets, 1978-88 Direction of China's exports, by area and country,	138
4.0	1979–88	140
4.9	Market distribution of China's re-exports to Hong	140
7.7	Kong, 1979–88	142
4.10	China's real exports to the United States, 1978–88	145
5.1	China's textile exports, 1978–88	151
5.2	China's share of world textile exports for major	131
J	commodity group	152
5.3	World price index of textile exports, 1980–8	155
5.4	Real growth rate of the DCs' textile imports from	100
	the LDCs	156
5.5	Share of main textile exporters in the world,	
	1979–88	156
5.6	Cotton cost to the textile industries in some	100
	exporting countries, 1979–87	159
5.7	Share of wages in output value of the textile	
	industries	160
5.8	Output and growth rate of China's major textile	
	products, 1979, 1983 and 1988	161
5.9	Domestic consumption of some textile products in	
	China, 1978 and 1988	162
5.10	Number of China's textile categories under import	
	quotas in some DCs	167
5.11	US and Canadian quota limits on growth of major	
	textile exporters	168
5.12	China's quota utilisation rates in textiles for USA	
	and Canada, 1980-6	170
5.13	Direction of China's textile exports, 1979-87	171
5.14	China's textile re-exports to USA via Hong Kong,	
	1979–87	172
6.1	Coverage of electronic products	176
6.2	China's electronic exports, 1978–87	177
6.3	Commodity composition of China's electronic	
	exports, 1979–87	178
6.4	Direction of China's electronic exports, 1980-7	181
6.5	Share of consumer electronic exports from Asian	
	NICs in the world, 1985	186
6.6	Share of electronic exports from China and other	
	LDCs, 1979–87	186

,	
Export prices of some LDCs' electronic goods in	
Hong Kong, 1987	188
Share of wages in output value of the electrical	
machinery industries, 1979-86	189
Output and growth rate of China's major electronic	

χi

195

products, 1978, 1983 and 1988 190
6.10 Domestic consumption of some electronic products

List of Tables

in China, 1978, 1982 and 1988 192

6.11 Joint ventures in China's electronics industry, 1979-87

6.7

6.8

6.9