

**DUISBURGER ARBEITSPAPIERE ZUR OSTASIENWIRTSCHAFT**  
**DUISBURG WORKING PAPERS ON EAST ASIAN ECONOMIC STUDIES**

No. 65 / 2003

**COMPILATION OF KEY-DATA ON**  
**SINO-EUROPEAN ECONOMIC RELATIONS**  
**SINCE 1978**

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## **Keywords/Schlagwörter**

Foreign trade, foreign direct investment, official development aid, statistical data, trade intensity index

## **Zusammenfassung**

Der vorliegende Beitrag trägt zentrale statistische Daten zur Entwicklung der europäisch-chinesischen Wirtschaftsbeziehungen zwischen 1976 und 2001 zusammen. Die graphisch aufgearbeiteten Daten werden einführend kommentiert und sollen einen schnellen, leicht zugänglichen Einblick in Entwicklung und relative Bedeutung der bilateralen Wirtschaftsbeziehungen der europäischen Staaten mit China ermöglichen.

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## **Compilation of Key-Data on Sino-European Economic Relations Since 1978**

In the course of the last twenty plus years the intensity of economic exchange between the PR China (in the following short: China) and the various European economies has increased dramatically. This development was triggered off most of all by the economic policy changes introduced by Deng Xiaoping in 1978. Since then, China has freed itself from its former self-imposed isolation and gradually integrated with the world economy. The market-oriented transformation process initiated in China in the late seventies created the preconditions for the resumption of economic contacts that had been largely stagnant in the preceding years. The gradual establishment of a market-based economic framework has step-by-step contributed to an economic environment that has allowed economic actors to exploit the comparative advantages of the economies concerned and enlarge the scope of labour division with China.

In the period in question, however, major shifts have also occurred in the world economy as a whole which have left their mark on the bilateral economic relations between China and the various European economies. The single most important events bringing about a significant reshuffle of the European economies' economic structure and the pattern of their integration into the international division of labour, have been (i) the evolution of a single European market under the auspices of the European Union and (ii) the breakdown of the Socialist Block and the ensuing transformation of the Central and Eastern European economies into market economies. – With respect to Germany the single most important event has of course been the reunification of East and West Germany and the ensuing, rather painful, merger of the two economies. – Both events have for many European enterprises opened markets in their vicinity that in terms of their comparative advantages and production capacities are to a certain extent similar to those in China and have resulted in the diversion of some economic interaction (especially investment and trade flows) that might otherwise have benefited China. This, however, could not stop the rapid intensification of economic relations between Europe and China.

While a comprehensive analysis of the evolution of the Sino-European economic partnership and its driving forces is made available elsewhere,<sup>1</sup> this compilation intends to provide some further statistical data on the evolution of Sino-European economic relations in the recent past.

The data collected in this issue of the *Duisburg Working Papers on East Asian Economic Studies* focus on three types of economic transactions: (I) the exchange of goods, (II) foreign direct investment (FDI), and (III) official development aid. All statistical data presented refer to the PR China as defined by its customs territory. Hong Kong, Macao and Taiwan are not covered.

### **(I) China's Bilateral Trade Relations**

In general the exchange of goods between China and Europe has experienced tremendous growth during the last 20-plus years, although a clear distinction has to be made between the Western European countries and the COMECON member countries. While trade relations between the former and China developed rapidly from early on, the latter experienced only sluggish growth in the beginning and started to show stronger growth only in the second half of the 1990s. This rapid quantitative development of bilateral trade has not been an isolated phenomenon, but goes in line with the rapid integration of China into the global division of labour which in turn is directly linked with the gradual replacement of existing command-economy structures by market-economy co-ordination mechanisms in the economy as a whole and in the foreign trade system in particular.<sup>2</sup> In the last two decades China has massively increased the efficiency of its foreign trade situation and has also been able to adjust the structure of its goods trade to its own comparative advantages. This has made possible an expansion of goods trade that makes sense for all partners, and with the rapid growth of the Chinese economy, goods trade has received additional stimulus.<sup>3</sup>

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<sup>1</sup> Taube, Markus (2002): *Economic Relations between the PR China and the States of Europe*, in: *The China Quarterly*, Vol. 169 (March 2002), pp. 78-107.

<sup>2</sup> For a detailed account of the transformation of the Chinese foreign trade regime see: Lardy, Nicholas R. (1992): *Foreign trade and economic reform in China, 1978-1990*, Cambridge; World Bank (1994): *China: Foreign Trade Reform*, Washington; and Lardy, Nicholas R. (2002): *Integrating China in the global economy*, Washington.

<sup>3</sup> Here, at the same time, is a countervailing causal relationship according to which the increasing opening of the Chinese economy to the international market has also stimulated the overall growth process. For a detailed presentation of the theoretical argument underlying this statement see:

These developments are mirrored in a general increase in the relative weight of China in world trade (chart 1, table A).

Depending on the statistical concept applied China has already risen to the fourth respectively sixth largest trade nation (table A). The data presented in this table as “EU extra” are covering all trade transactions between EU member countries and economies outside the integration area. The individual EU member countries are not listed separately in this concept. Transactions between Germany and France for example are not included. The data presented below regard all EU member states as independent trade actors and therefore include such transactions. In the “EU extra” concept China ranks as the worlds fourth largest trade nation (right after the EU, USA and Japan) with a share of 5.6 % of world exports and 4.9 % of world imports (WTO statistics).

**Table A: The largest trade nations in 2002**

	Export		Import	
	bill. US\$	market-share	bill. US\$	market-share
EU (extra)	874	18,4	913	18,2
USA	731	11,9	1180	18,3
Germany	571	9,3	493	7,7
Japan	404	6,6	349	5,4
France	322	5,2	326	5,1
UK	273	4,4	332	5,2
<b>PR China</b>	<b>266</b>	<b>4,3</b>	<b>244</b>	<b>3,8</b>
Canada	260	4,2	221	3,5
Hong Kong	191	3,1	202	3,1

Note: See text for explanations on statistical concepts applied.

Source: World Trade Organisation (2002): WTO Trade Statistics 2002, Geneva.

A common feature in the trade relations between all **Western European** countries

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Gershon Feder (1983): *On Exports and Economic Growth*, in: Journal of Development Economics, Vol. 12, No. 1-2 (1983), pp. 59-73.

and China is that the importance of China as a trading partner for Western Europe has risen steadily, with China becoming much more important as a market to source imports than as an export market. The consequence of this unbalanced trade structure for the European countries are rising deficits in their bilateral trade balances. When looking at the corresponding data from the perspective of China, i.e. the importance of various European countries for Chinese exports and imports, the picture is much more diverse. The general impression, however, is that most Western European countries have lost some of their relative importance as trading partners for China.<sup>4</sup>

The Intensity of Trade Index analysis (see below for details) shows that despite of the above mentioned expansion of the West European economies' China-trade, trade relations have not yet assumed the intensity that would accord with the relative world market shares of these countries. An explanation for this disparity can be found in the West European economies' close regional ties to their European neighbours, i.e. the EU single market member states and (since the 1990s) the transformation economies of Eastern Europe, on the one hand, and China's embeddedness in the Asian regional economy (see chart 54 for Hong Kong and chart 31 for Japan), on the other. Here, the forces of regional gravitation still seem to prevail over "globalization".

A quite different picture than that of the Western European countries' development of trade relations with China is seen in China's relations with the **former European COMECON countries**. Not only are the absolute volumes of bilateral trade markedly smaller than those that Western Europe is running with China, but the mutual dependencies are also reversed: China has been a much more important foreign trade partner for Eastern Europe than vice versa. And whereas Chinese/Western European trade relations were primarily determined by developments in China itself (in the sense that efforts of Western European companies to create an intensification of business relationships were restricted mostly by problems that arose on the Chinese side), the main restricting factor in the development of trade relations with Eastern

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<sup>4</sup> A comparison of China's bilateral trade with the triad economies EU, USA and Japan (charts 2-4) shows no distinct difference in the respective trade patterns. The triad economies uphold substantial trade deficits with China. The dependence of the latter on imports made in China, however, is much higher. The USA and Japan are sourcing substantial amounts of their imports from China, and – in contrast to the EU – they are featuring Intensity of Trade Index values above unity for their imports from China (charts 29-31) !

Europe seems to have been inherent to these countries. In the 1980s it was the structural rigidities, political dependencies and ideological principles that these countries were subject to in the COMECON group. And after the dissolution of the Socialist Block in the early 1990s, these countries underwent a fundamental transformation crisis. Not until the end of the decade had the Eastern European economies stabilised to an extent that a systematic intensification of economic relations with China became possible.

Despite of the very hesitant unfolding of trade relations in the late 1970s and early 1980s (in absolute numbers), the Intensity of Trade Index for these years shows extremely high values. Being clearly above unity the Index values indicate an above average intensity of bilateral trade. This feature however is a misrepresentation of the actual situation as it reflects the low volume of foreign trade the East European economies maintained outside the Soviet block. Only against the background of such a small basis of extra-COMECON trade could the modest transaction volumes with China attain such a weight. With the on-going dissolution of the COMECON structures and the gradual integration of the Eastern European countries in the international economy, the intensity of trade relations to China have declined accordingly. The index values have declined steadily and have been clearly below unity since the early 1990s.

*The data:* Due to the incompatibility of Chinese and foreign trade statistics which apply different concepts to account for transshipment and entrepôt trade (e.g. trade with China via Hong Kong and Macau), apply diverging country of origin principles, and make incongruous use of *fob* and *cif* concepts, trade data are presented from both perspectives: the Chinese view and the perspective of her respective trade partner. In order to achieve a maximum of comparability the data have not been taken from the various national statistics but rather from the International Monetary Fund's compilation of world trade data.<sup>5</sup>

In charts 1-55 dotted lines are always indicating exports, while the straight lines are always indicating imports, with the country whose perspective is taken indicated in the heading of the table. Charts 2-28 for example depict the absolute figures of Chi-

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<sup>5</sup> International Monetary Fund (various): *Direction of Trade Statistics Yearbook*, Washington.

nese exports and imports with a given trade partner plus the ensuing trade balance in the upper chart. The middle and lower charts give the export and import values in percent of the involved economies overall exports and imports. The perspective of the foreign partner is presented in the middle chart, while the Chinese perspective is presented in the lower chart.

In order to enlarge the scope of the analysis presented and evaluate the relative importance of bilateral trade relationships in the context of the world market integration of the concerned economies the Intensity of Trade Index  $I_{ij}$  has been calculated.<sup>6</sup> It takes the form:

$$I_{ij} = \frac{X_{ij}}{X_i} \bigg/ \frac{M_j}{M_w - M_i} \quad \text{respectively} \quad I_{ij} = \frac{M_{ij}}{M_i} \bigg/ \frac{X_j}{X_w - X_i}$$

with  $X_{ij}$  denoting country i's exports to country j  
 $X_i$  total exports of country i  
 $M_j$  total imports of country j  
 $M_w$  total world imports  
 $M_i$  total imports of country i

and corresponding values for the second version of the index.

In a formulation based on exports it is defined as the share of exports of the country of origin aimed at the target country divided by the share of the target country in world imports which theoretically could have the beginnings in the country of origin. An analogous definition holds for the import side. If the index assumes the value of 1, the export country directs precisely that portion of its exports to the target country as this country's share in world imports. Accordingly, a value above or below 1 indicates an above or below average intensity of goods trade.

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<sup>6</sup> For early applications of the Intensity of Trade Index see: Drysdale, Peter; Garnaut, Ross (1982): *Trade intensities and the analysis of bilateral trade flows in a many-country world: A survey*, in: Hitotsubashi Journal of Economics, Vol. 22, No. 2 (1982), pp. 62-84; and: Platte, Erika (1992): *Germany-China trade: An empirical assessment*, in: Asien, Vol. 42 (January 1992), pp. 66-79.

Charts 29-55 depict the development of the Trade Intensity Index values of bilateral trade from the non-Chinese perspective in the upper chart, while the Chinese perspective is presented in the lower chart.

## **(II) Foreign Direct Investment**

Chart 56 and table 1 present Chinese data<sup>7</sup> on the quantitative development and the countries of origin of China's inbound FDI flows.

The initial legal and institutional basis for an inflow of FDI to China was established only in the late 1970s and early 1980s. Since then China has taken a number of measures to intensify the flow of FDI to the country. Special economic zones and industrial parks have been established within which foreign invested enterprises (FIE) experience a better regulatory environment and infrastructure facilities than in other parts of the country. They have been given tax benefits, promised a relatively liberal foreign-trade regime, and granted diverse other special conditions under which the business activities of companies with foreign participation are subject to considerably different conditions than businesses that are financed purely by Chinese capital.<sup>8</sup> But still seriously constricted by regional, sectoral restrictions and specific qualifications (concerning forex balances, local content regulations, access to the local goods and factor markets, etc.) motivated by ideological reservations that they might constitute an instrument of foreign capitalists exploiting the country,<sup>9</sup> FDI inflows picked up only slowly in the 1980s. It was not before China's strong commitment to a market economy in the early 1990s that the country was able to attract truly substantial amounts of FDI (chart 56). Since then the development has been dramatic. Between 1995 and 1999 China absorbed 7.5% of global FDI flows and about one quarter of all FDI flows directed towards developing countries. In the years 1993 to 1996 China was even host to more than one tenth of global FDI.<sup>10</sup>

The bulk of these massive FDI inflows did not, interestingly, stem from the world

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<sup>7</sup> Guojia tongji ju [National Bureau of Statistics] (various): *Zhongguo tongji nianjian [China Statistical Yearbook]*, Beijing.

<sup>8</sup> Khan, Zafar Shah (1991): *Patterns of Direct Foreign Investment in China*, Washington, Appendix 4.

<sup>9</sup> Hsu, Robert C. (1991): *Economic Theories in China, 1979-1988*, Cambridge, pp. 134-36.

<sup>10</sup> UNCTAD (various): *World Investment Report 2000*, New York – Geneva.

economy's industrial growth centres. As documented in table 1, the triad economies of the EU, Japan and USA each accounted for only about 10% of all China-bound FDI, while Hong Kong, Taiwan and Singapore commanded about one half of all China-directed FDI flows. Even if potential misrepresentations arising through investments executed by affiliates of European companies registered in Hong Kong, Singapore, Virgin Islands etc., and as a result not appearing as European FDI, are taken into consideration, the quantitative European FDI engagement in China was moderate when taking into account the size of the economies.<sup>11</sup> The East European economies are in China virtually not represented with foreign invested enterprises (FIE).

In terms of the intensity of the division of labour the FDI boom in the 1990s has come close to a quantum leap in the bilateral relations between most European economies and China. As FDI represent the simultaneous transfer of capital, technology, and human capital they embody a much broader range of exchange than ordinary goods trade. It is not only (fabricated) goods that are exchanged, but factor endowments, i.e. production capacities. New factor combinations and an improved exploitation of comparative advantages become possible, inducing a reconfiguration of relative prices, a redirection of trade flows – and mostly increasing trade volumes as well<sup>12</sup> –, and eventually an acceleration of structural change.

The global, and as part of them, the European FDI-flows to China have significantly contributed to economic growth and development in China. And although their China-bound FDI flows amount to only about one percent of their overall FDI outflows<sup>13</sup> they have also exerted considerable influence on the European economies and their interaction with other actors in the world economy. The cutback of labour intensive industries in Europe, like shoes, textiles etc., has been accelerated while the capital and technology-intensive sectors have received a development push.

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<sup>11</sup> During the last years of the 1990s the European economies experienced a modest increase as due to the Asian crisis, the main investors in China located in South East Asia were prevented from further investment activities.

<sup>12</sup> Zhang Zhaoyang (1995): *International Trade and Foreign Direct Investment: Further Evidence from China*, in: *Asian Economic Journal*, Vol. 9, No. 2, pp. 153-167.

<sup>13</sup> The major portion of the direct investments of the EU-15 countries remains within the borders of the EU or flows to the U.S. or to Japan (i.e. it remains in the confines of the triad).

The structure of European imports has been strongly influenced by the production of European FIEs located in China, that are (mostly) taking advantage of low labour costs in China and are now producing in China for the European market. And as mentioned above there has been a considerable trade diversion effect when production processes were moved from Hong Kong, Taiwan and South East Asia to China, which impacted the European import structures.

European exports have on the one hand experienced a stimulus by FIEs located in China which have become major clients for European suppliers, absorbing the largest part of Europe's China-bound exports. But there have also been strong diversions of trade flows. Although Eastern Europe may be the preferred location for West European export processing businesses targeting the European market, European production plants have also been moved towards China, from where they supply customers in Asia, Australia and the Americas. In addition more and more European enterprises are implementing globalization strategies based on the concept of only one large production site in Europe, the Americas and Asia each, and are choosing China as their Asian location – thereby substituting European exports into the region.

### **(III) Official Development Aid**

Official development aid (ODA) has been highly instrumental for the success of China's recent market-oriented transformation process and demand-directed industrialization. At the same time ODA may also function as a lubricant for economic interaction between enterprises of the donor country and the recipient. As a matter of fact, China has been profiting from competition between donor countries, which seem to have been prepared to "reward" China for awarding contracts to "its" companies with the provision of governmental transfer payments (i.e. ODA). At stake have usually been not just singular contracts, but the establishment of systemic solutions<sup>14</sup> that may strengthen the attachment (dependence on) of Chinese industries to national suppliers. Largely ODA financed infrastructure projects in China like the French

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<sup>14</sup> Systemic solutions are understood as complex technological systems that command a fixed set of complementary products. Implicating that once the decision for a certain system and its industrial standards has been made, complementary goods will automatically be requested by the host country, while other systems and their complementary products remain excluded. Examples for competing systemic solutions are, in the telecommunications sector, the GSM and CDMA technologies, in the transport sector the French TGV versus the German ICE system etc.

Daya Bay nuclear power plant or the German Transrapid have the additional effect of creating showcases (reference works) of national technology whose marketing value reaches far beyond the Chinese market.

The data presented in table 2 are taken from the OECD Development Assistance Committee's official statistical publication.<sup>15</sup> It shows, that next to Japan, which has been contributing the by far largest amounts of ODA to China, Germany, France and Italy have been the main European sources of ODA to China. With the exception of the period 1987 to 1992 when France and Italy have been the major European sources of ODA to China, Germany has been providing the bulk of European development assistance to China. In the latter half of the 1990s German ODA has been constituting more than 50% of total EU Commission plus EU member country ODA disbursements. At the same time China has become also the most important partner country for Germany's developmental aid activities, absorbing about one tenth of its overall bilateral ODA disbursements.

#### **(IV) Looking into the future**

With the effects of the "external shock" caused by the break-up of the Soviet block and the dissolution of the GDR slowly abating, the next decades of European – Chinese economic relations will above all be determined by China's entry into the WTO.

It is expected that in the mid-term the WTO entry will boost economic development in China.<sup>16</sup> Growth impulses will result first of all

- from an improvement in terms of the organizational (institutional) set up of economic interaction in China itself and between China and the rest of the world,
- a more intense division of labour between China and the rest of the world which,

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<sup>15</sup> Organisation for Economic Co-operation and Development (various): *Geographical Distribution of Financial Flows to Aid Recipients*, Paris.

<sup>16</sup> In the short term, however, the economy and society at large will have to master a period of instability as strains on the labour market will increase and discontent of a comparatively large group of people will grow, as for the first time in two decades of economic reform, they will have to suffer net-welfare losses (i.e. individuals with earnings stemming mainly from agriculture and state-owned industries). Efforts to alleviate these hardships will continue to motivate China to side-step existing commitments with respect to a comprehensive opening of the market and the establishment of a level playing field for all economic actors irrespective of their nationality.

in addition, will comply much better with the comparative advantages of the economies involved,

- productivity gains resulting from increased competition in the Chinese market.

These factors will lead to a substantial improvement of factor allocation in China and, therefore, a more efficient use of the resources available.

The elimination of barriers to bilateral trade in China as well as in the EU will lead to a substantial increase in bilateral trade volumes. This will go along with a comprehensive reshuffle in the composition of imports and exports as falling tariff and non-tariff barriers will substantially alter relative prices. In the run of these developments the major West European economies' negative trade balances with China will probably expand, although only slightly, as terms of trade effects will act in favour of the industrialized economies.<sup>17</sup> This rather positive evaluation does not apply to the less developed economies in the EU and even less for the East European economies. They will lose some of their present transaction cost advantages vis-à-vis China and may encounter a new competitor on the West European markets. The changes in relative prices caused by China's WTO-entry will induce a re-arrangement and re-allocation of production capacities (factors) on a global scale. In this run processes of structural change already under way in Europe will be forced to increase in speed, and it will be Europe's most underdeveloped and structurally underprivileged regions that will have to bear the strongest pressure.

At least West European enterprises are expected to (re-)locate production capacities to China, and at least part of it will not constitute net additions to their global production capacities but be at the expense of European locations. Improved market access and a general liberalization of the economic regime governing foreign invested enterprises will induce an upsurge of China-bound FDI. According to UNCTAD estimates,

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<sup>17</sup> The expected increase of Chinese exports will lead to a reduced scarcity of China's main export goods on the world market and therefore reduce their prices. At the same time, the expected import surge of Chinese economic actors will bring about an increase in the prices of China's main import goods as – at least in the short term – scarcity is going to increase. Therefore, the terms of trade of industrialized economies like Germany are going to improve, as their imports become cheaper and their exports are expected to command higher prices. This development will not remain confined to bilateral, e.g. German – Chinese trade relations, but will apply to all transactions in the goods concerned, as arbitrage processes will lead to price corrections world wide.

the FDI inflows to China may more than double to 100 billion US\$ a year in 2006.<sup>18</sup> West European enterprises can be expected to increase their commitment to the Chinese market considerably, as the adaptation period granted to China will probably be the last chance to position an enterprise in the Chinese market before market shares are distributed. Once these market structures are established, latecomers will be forced to commit disproportional higher financial and management resources, in order to establish their presence in the Chinese market.

It is expected that a full-fledged overhaul of the financial system and a maturing capital market in China will lay the foundation for a more thorough engagement of European financial intermediaries in China. Therefore, capital flows other than FDI are expected to rise markedly, also.

With the expected economic development in China, the justification for ODA disbursements on as massive a scale as happened in the past will become more difficult. There will be many nations appearing to be more needy of assistance. But given the distinct regional disparities in China, i.e. the persistence of poverty and the strategic as well economic importance ascribed to China, substantial amounts of ODA will probably continue to flow in the direction of China.

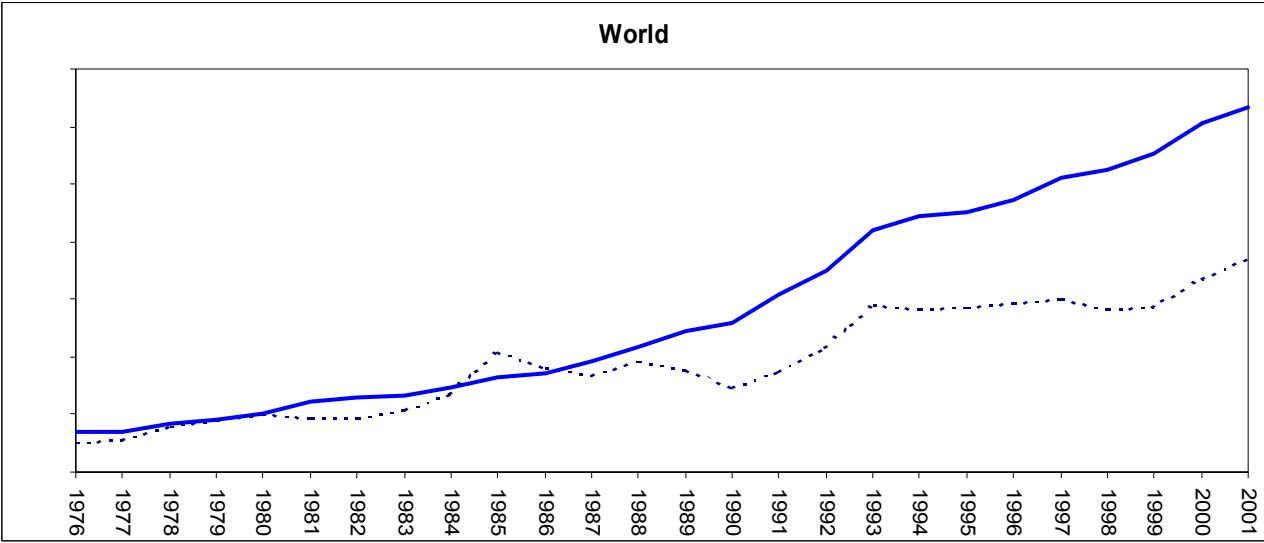
The current situation, according to which China is enjoying net inflows of capital from the major West European economies via all the main channels of economic interaction, (they maintain trade deficits with China and are transferring capital by means of FDI, commercial as well as governmental lending and ODA) is therefore expected to prevail and to become even more pronounced in the future.

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<sup>18</sup> UNCTAD (2000): *World Investment Report 2000*, New York – Geneva.



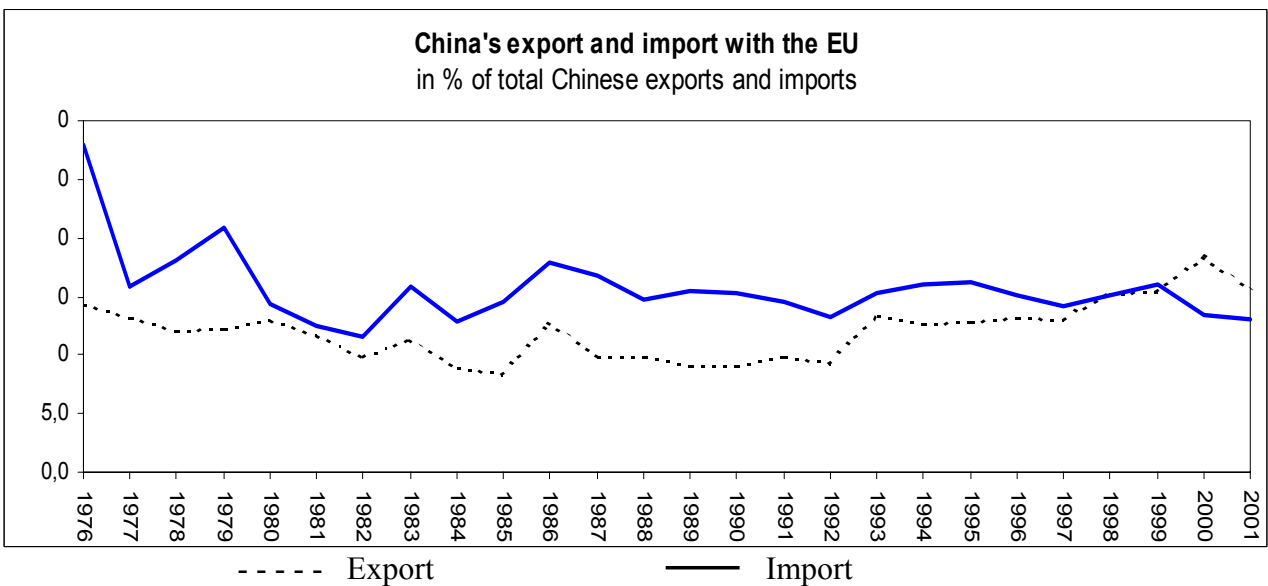
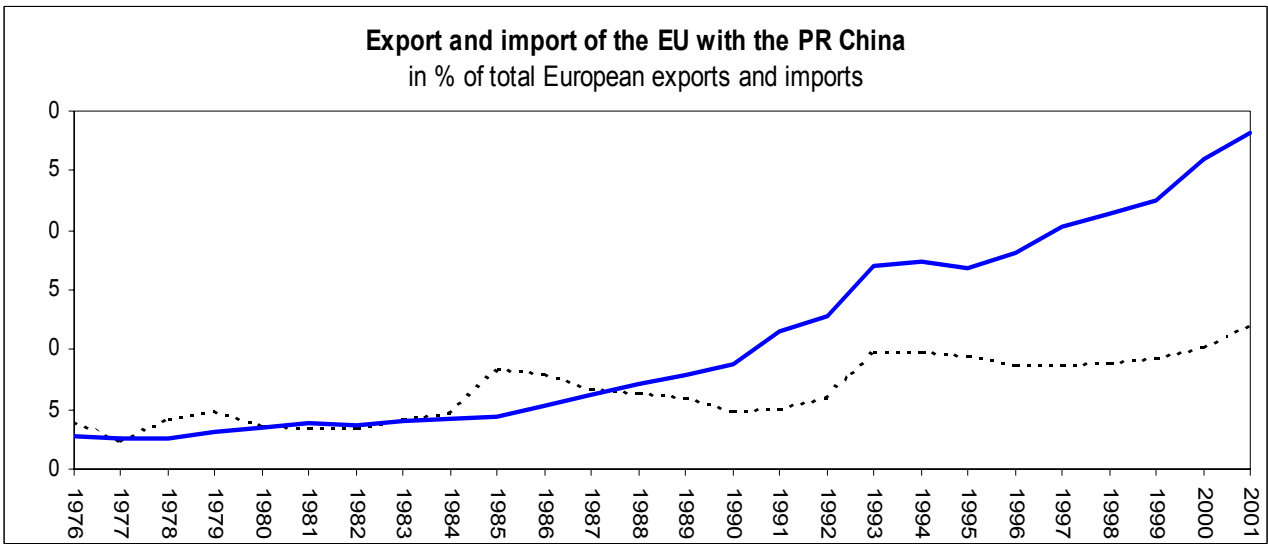
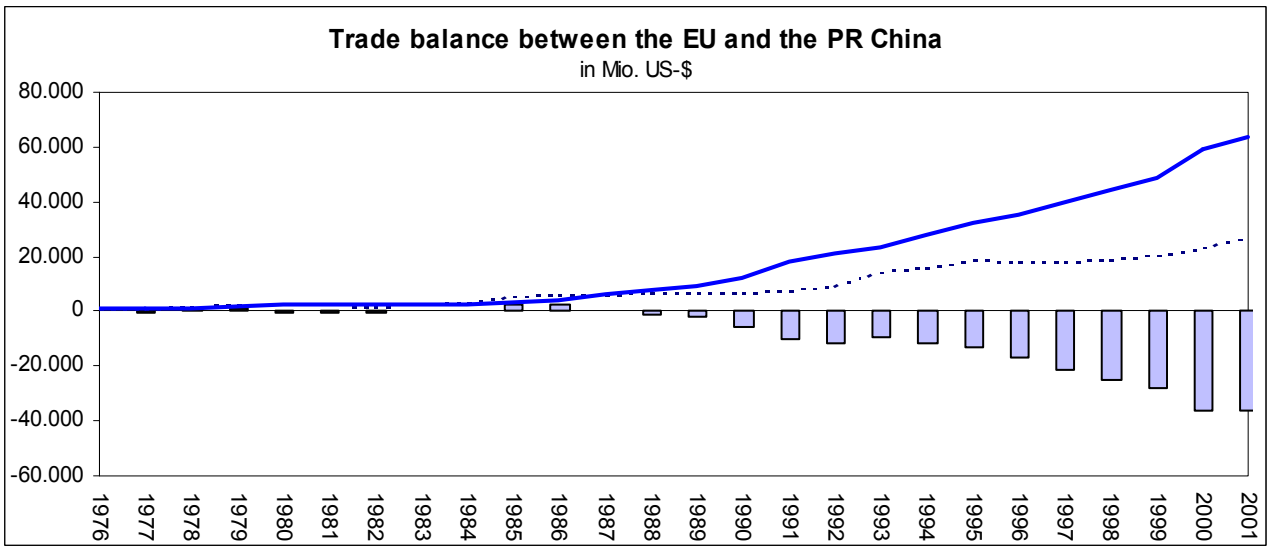
**Chart 1: The share of the PRC in world trade**



- - - - World Exports to the PRC                      — World Imports from the PRC

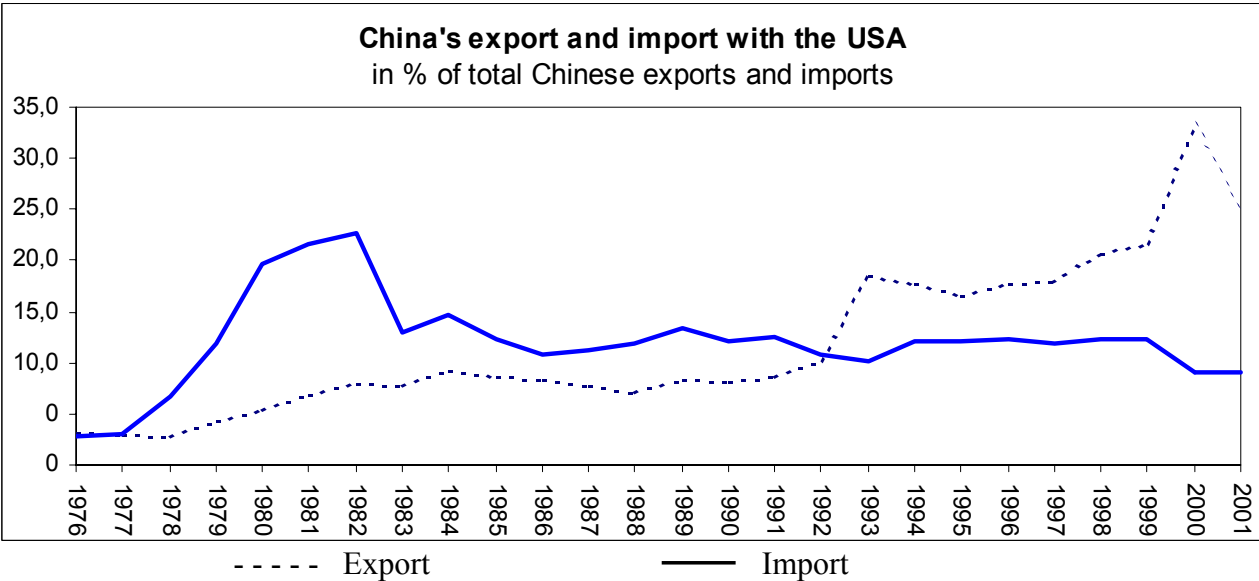
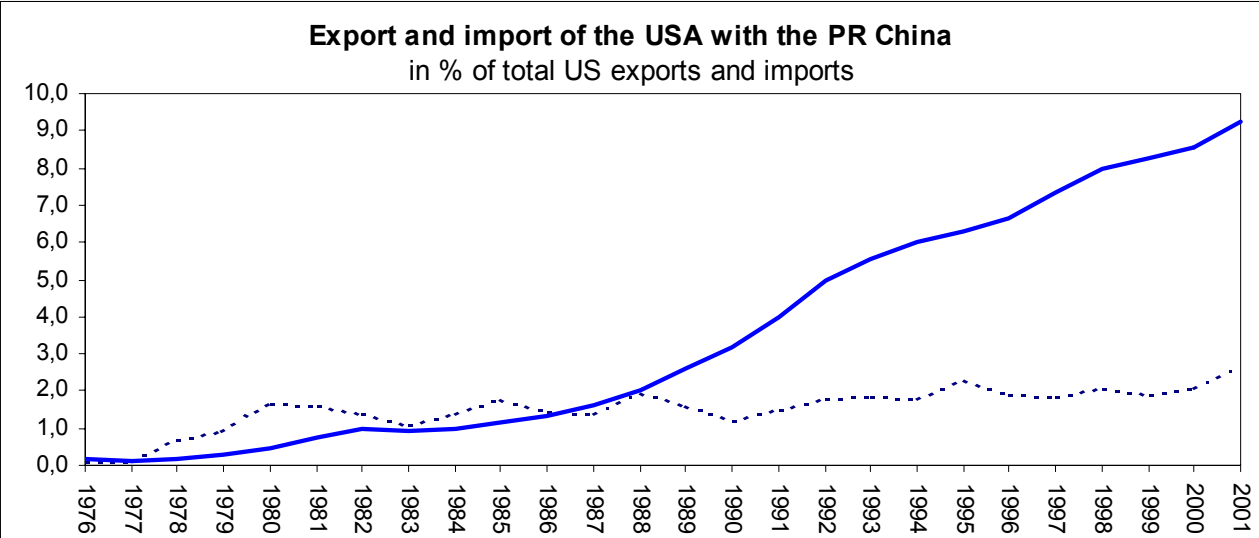
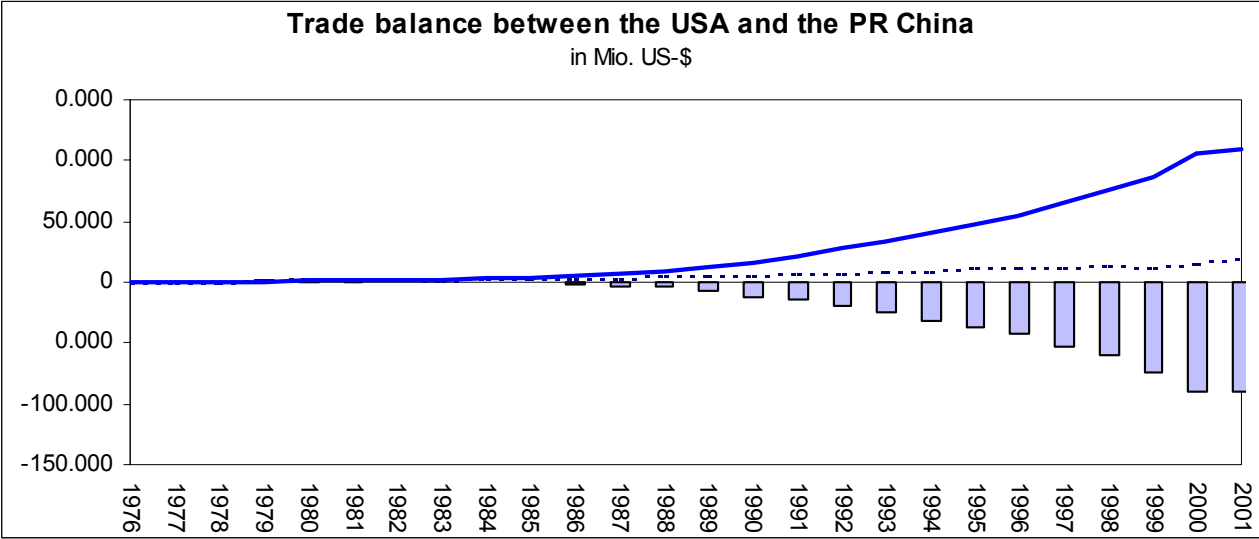
Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

**Chart 2: Indicators of trade relations between the EU and the PR China**



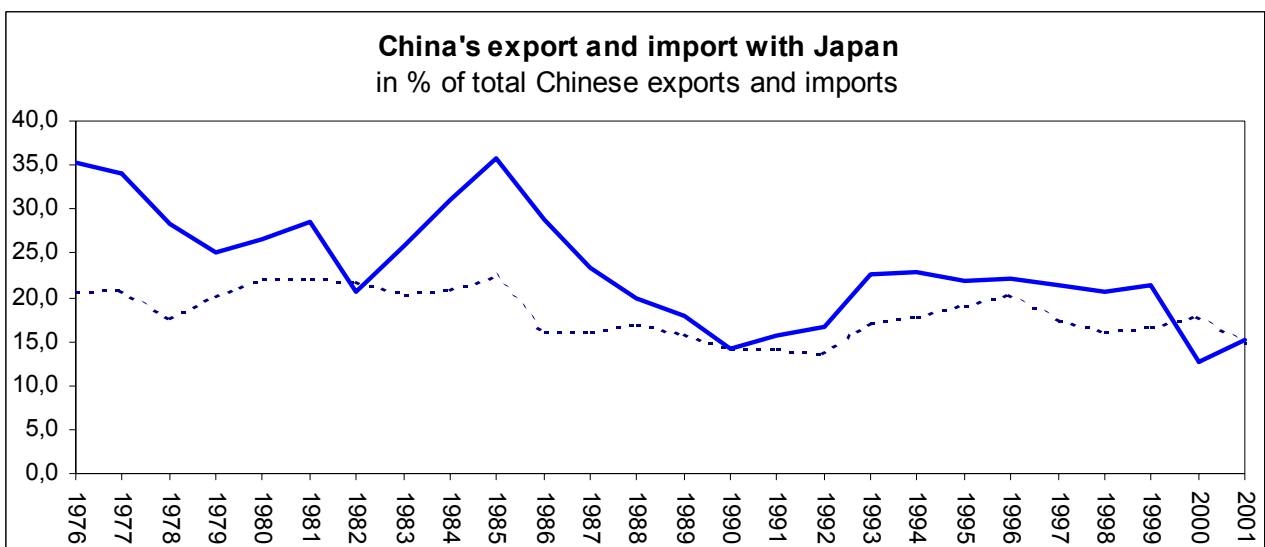
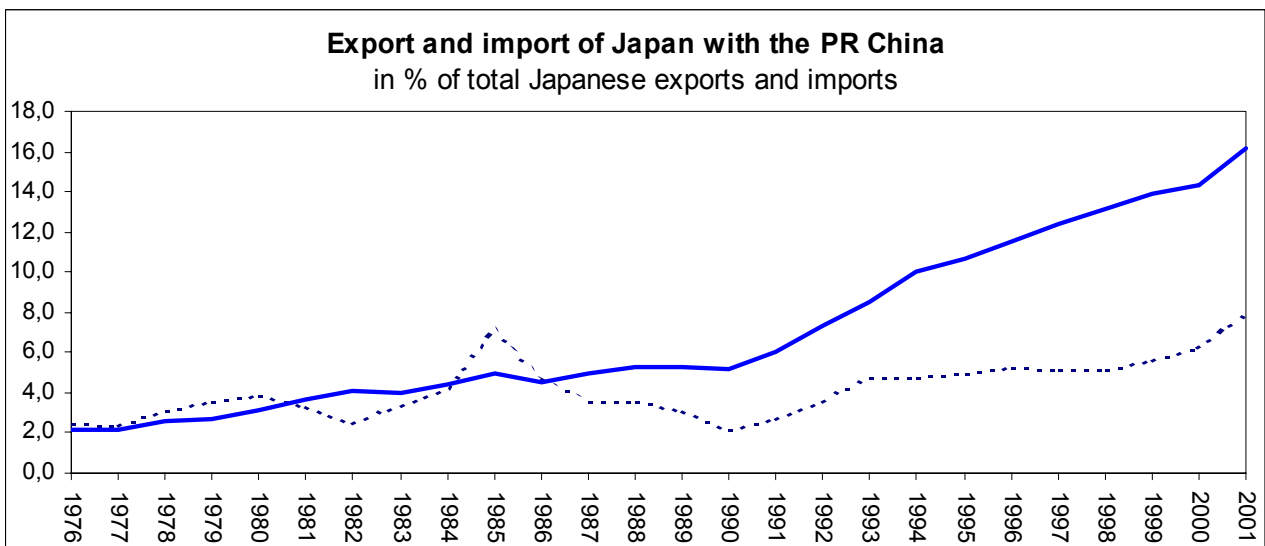
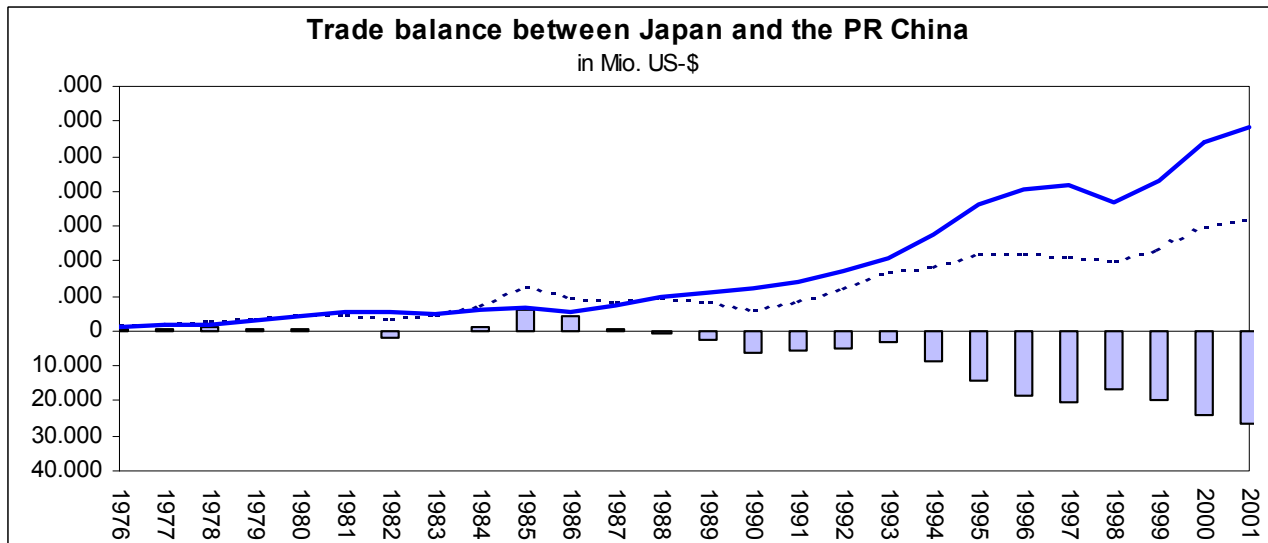
Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

**Chart 3: Indicators of trade relations between the USA and the PR China**



Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

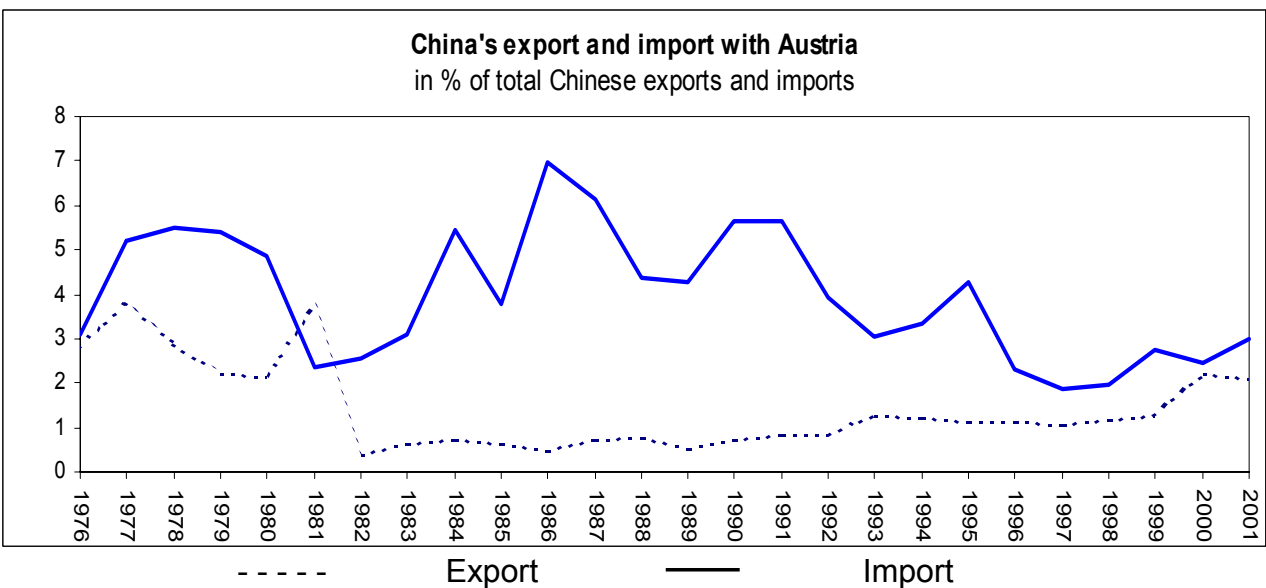
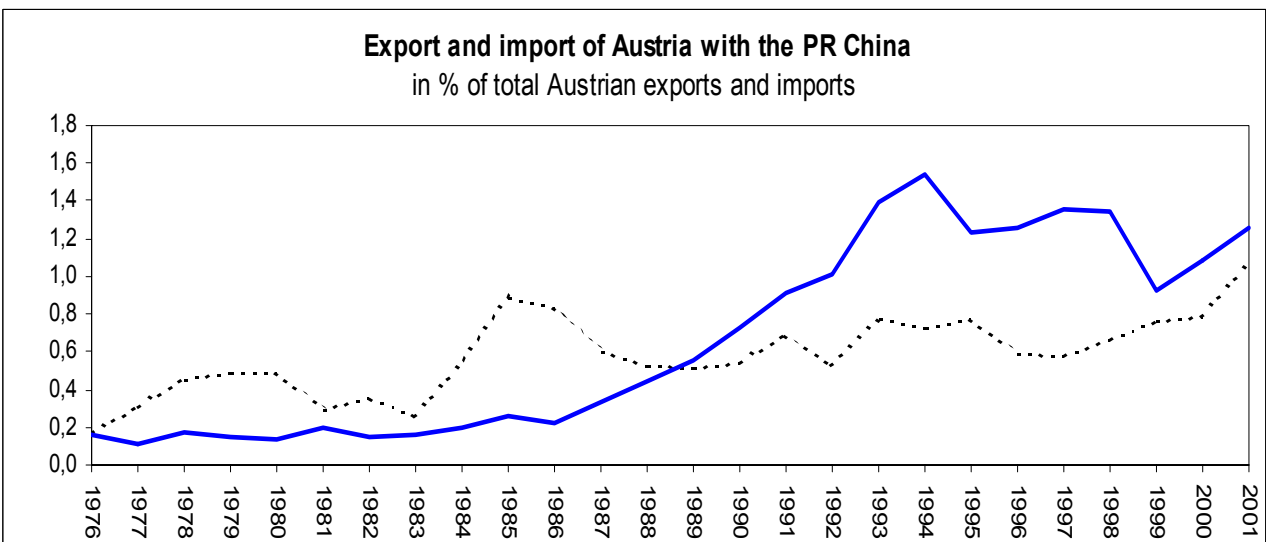
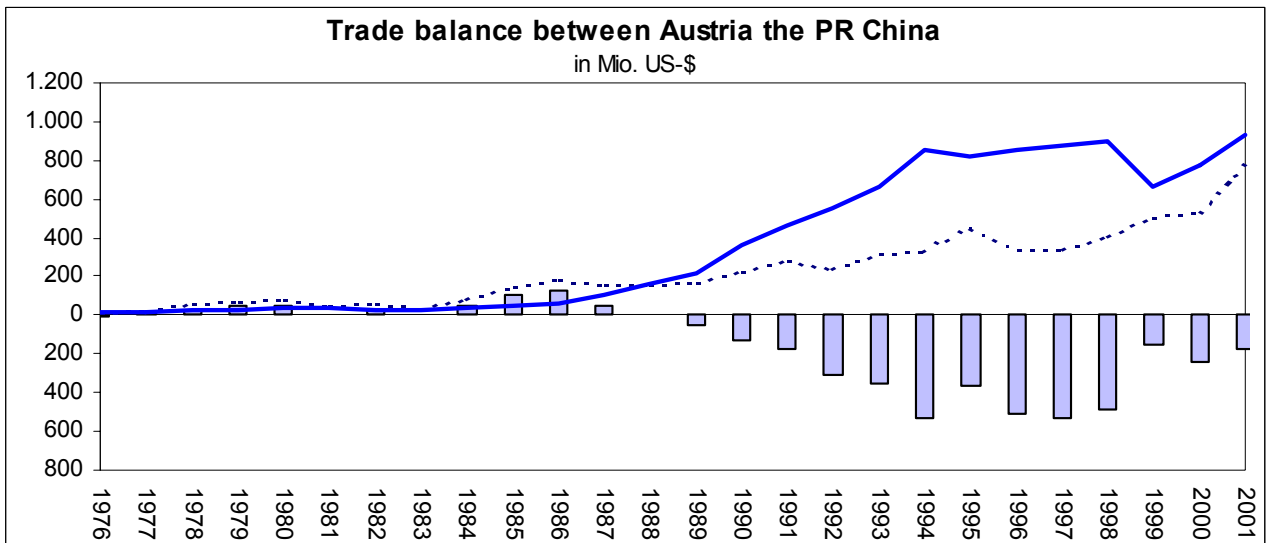
**Chart 4: Indicators of trade relations between Japan and the PR China**



- - - - Ex-  
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— Im-  
port

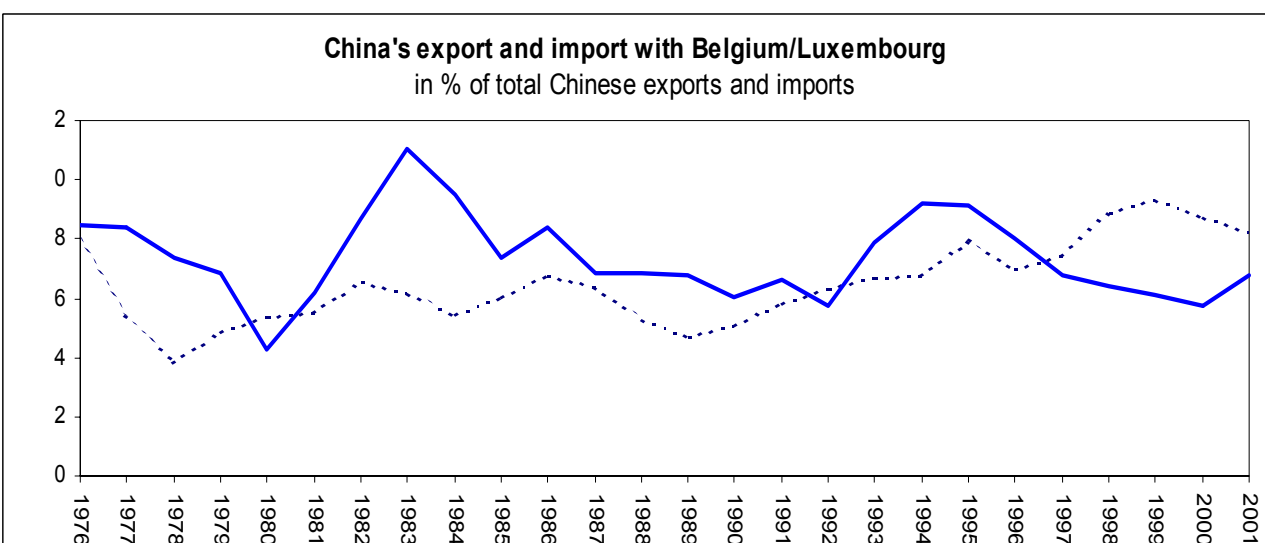
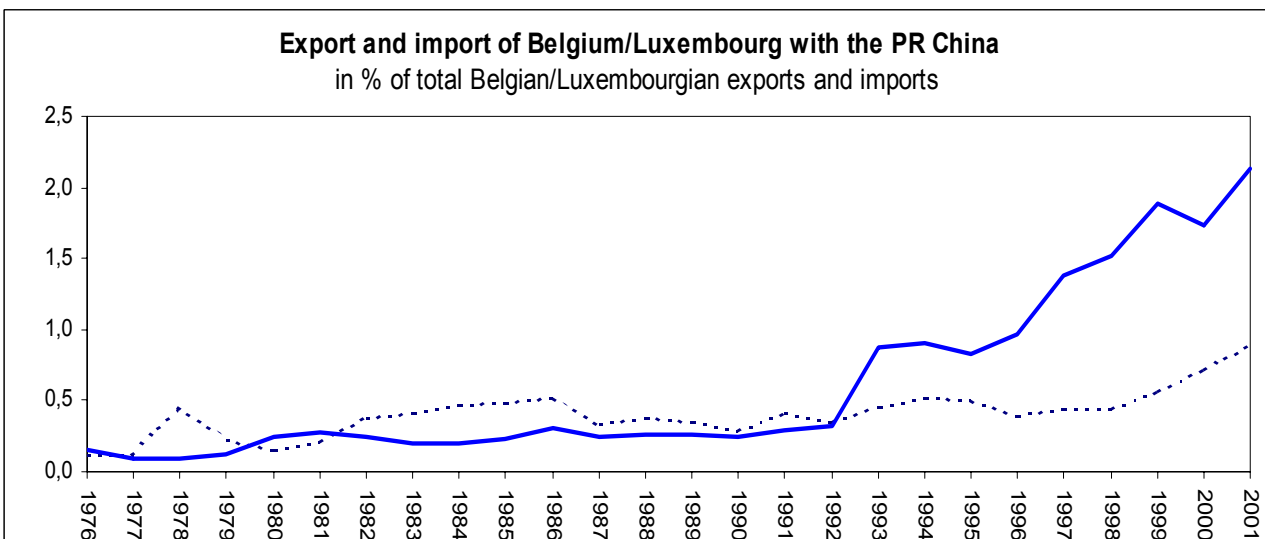
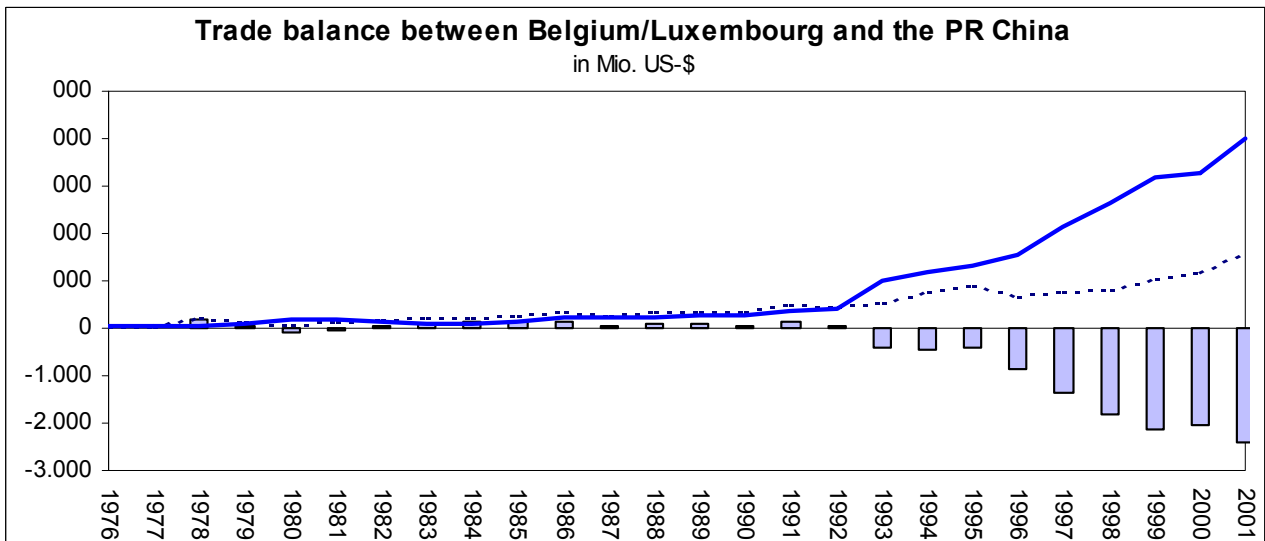
Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

**Chart 5: Indicators of trade relations between Austria and the PR China**



Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

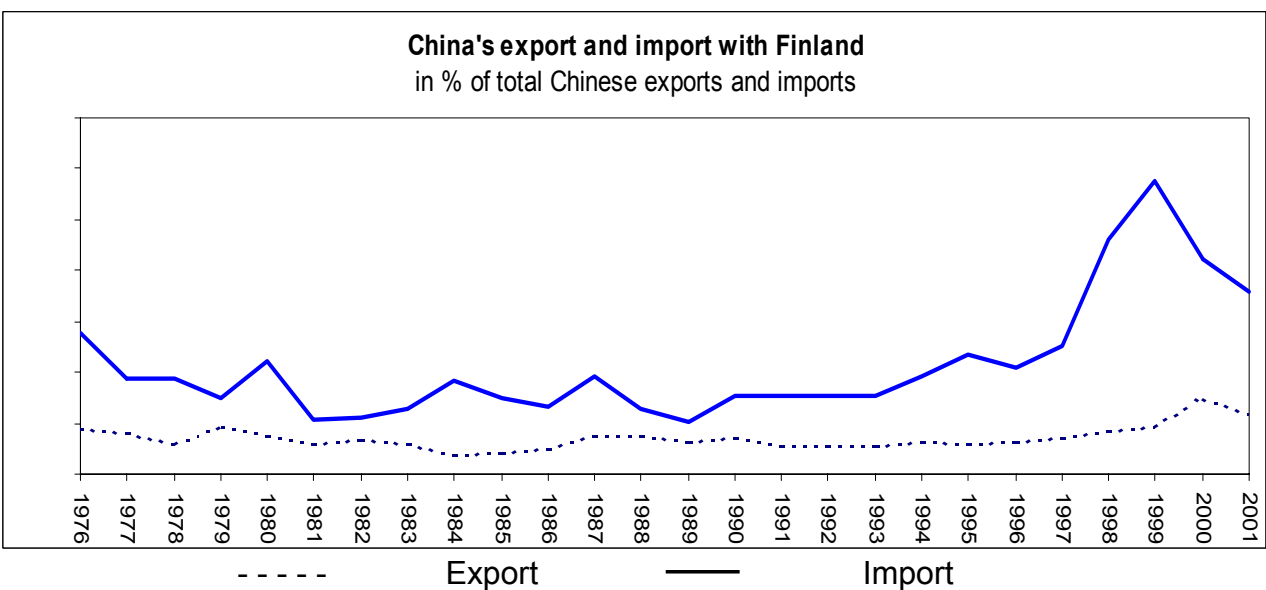
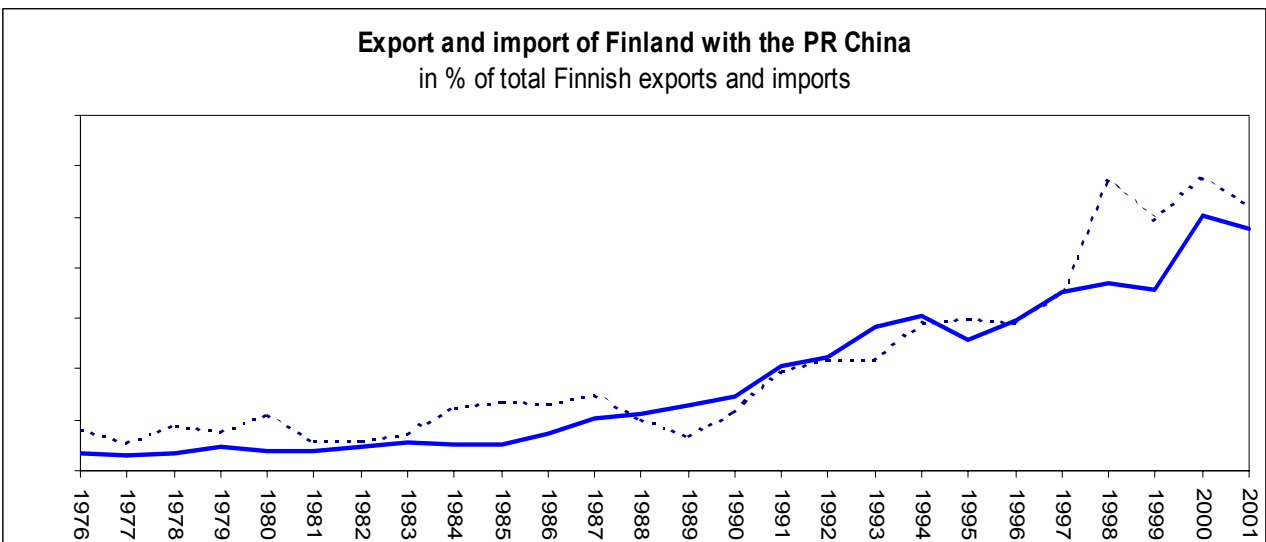
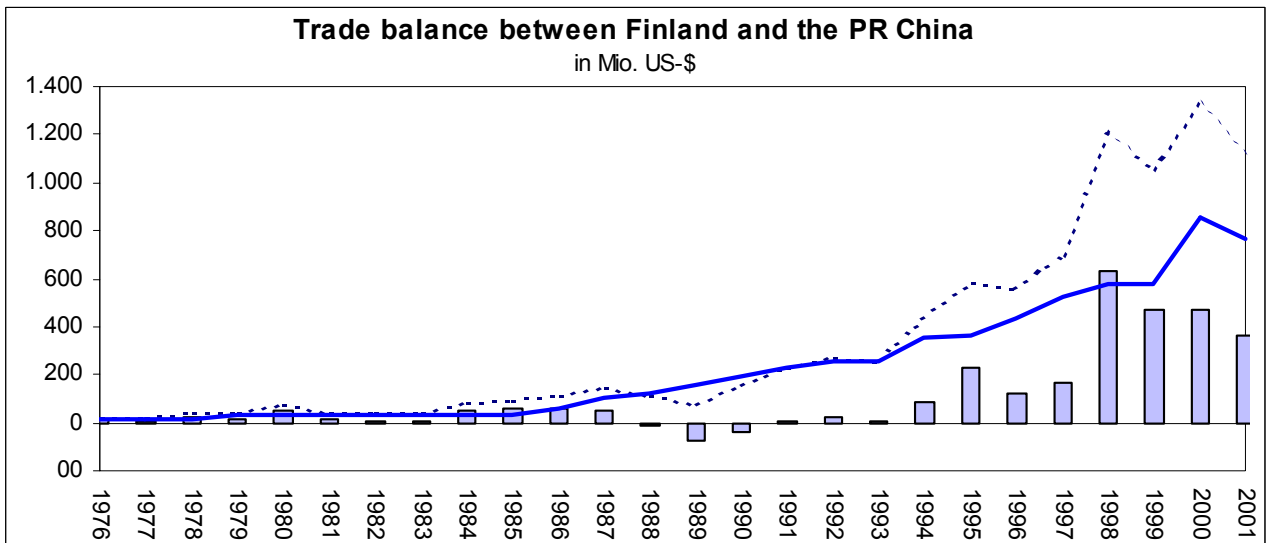
**Chart 6: Indicators of trade relations between Belgium/Luxembourg and the PR China**



----- Export      ——— Import

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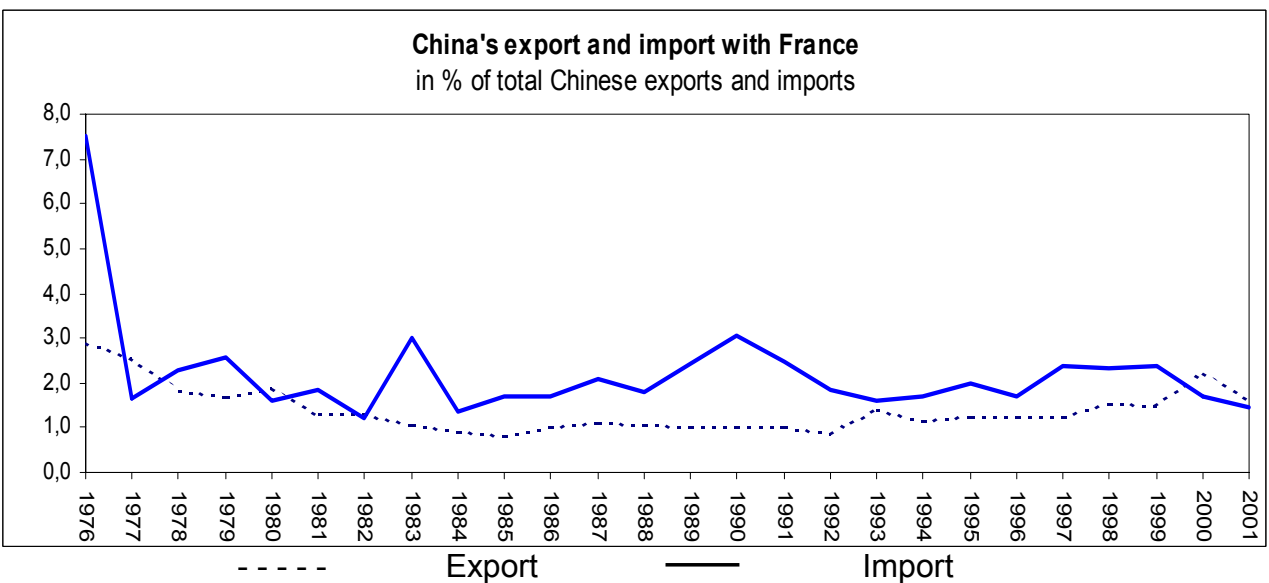
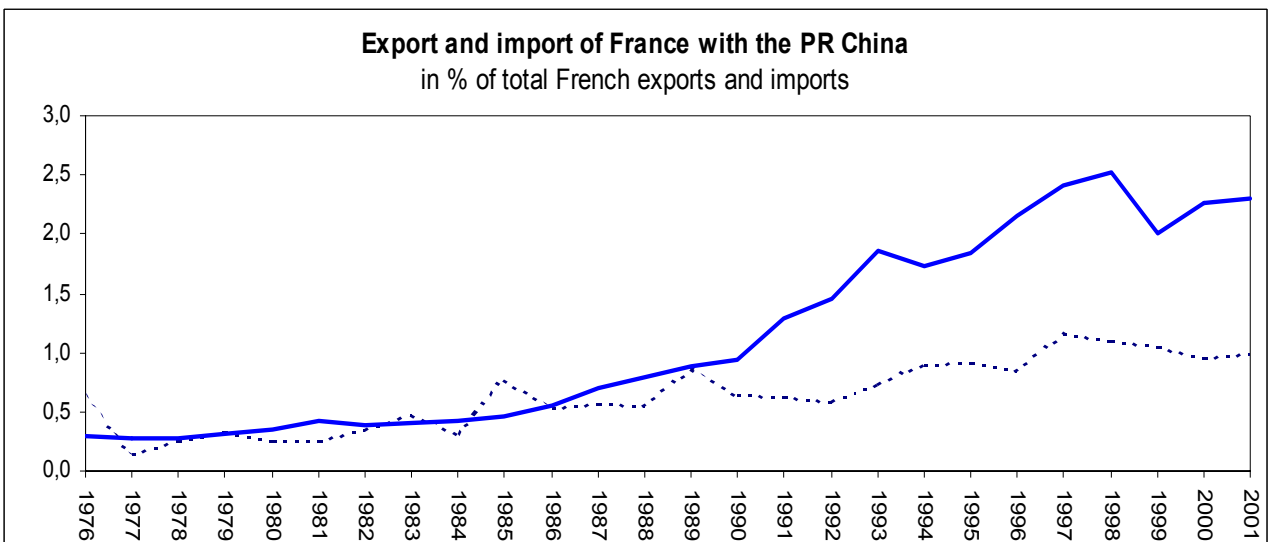
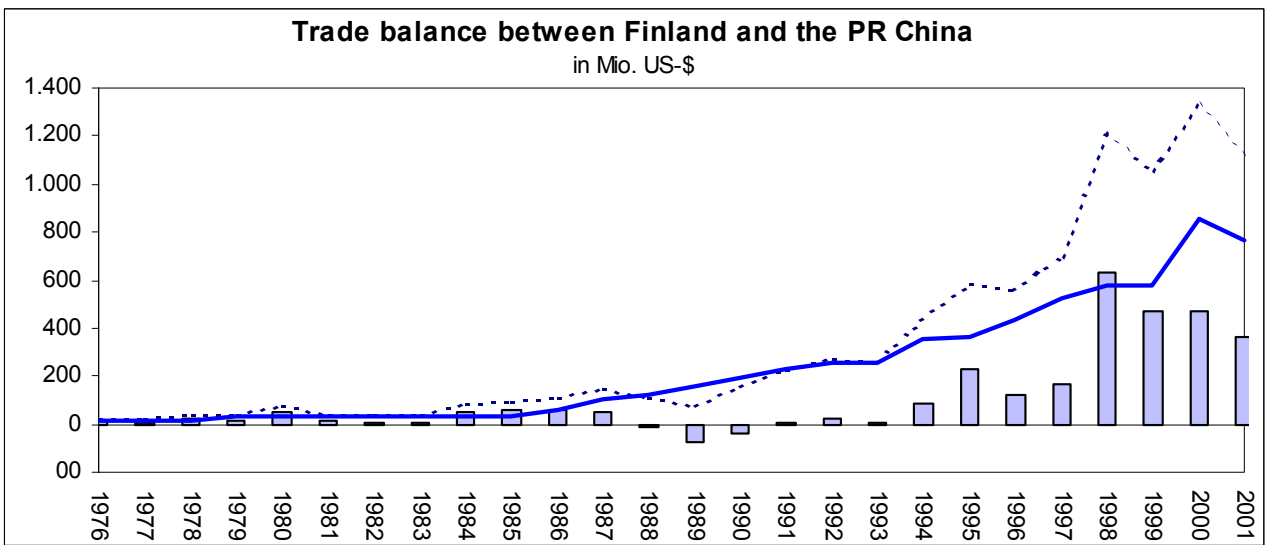
**Chart 7: Indicators of trade relations between Finland and the PR China**



- - - - - Export      ——— Import

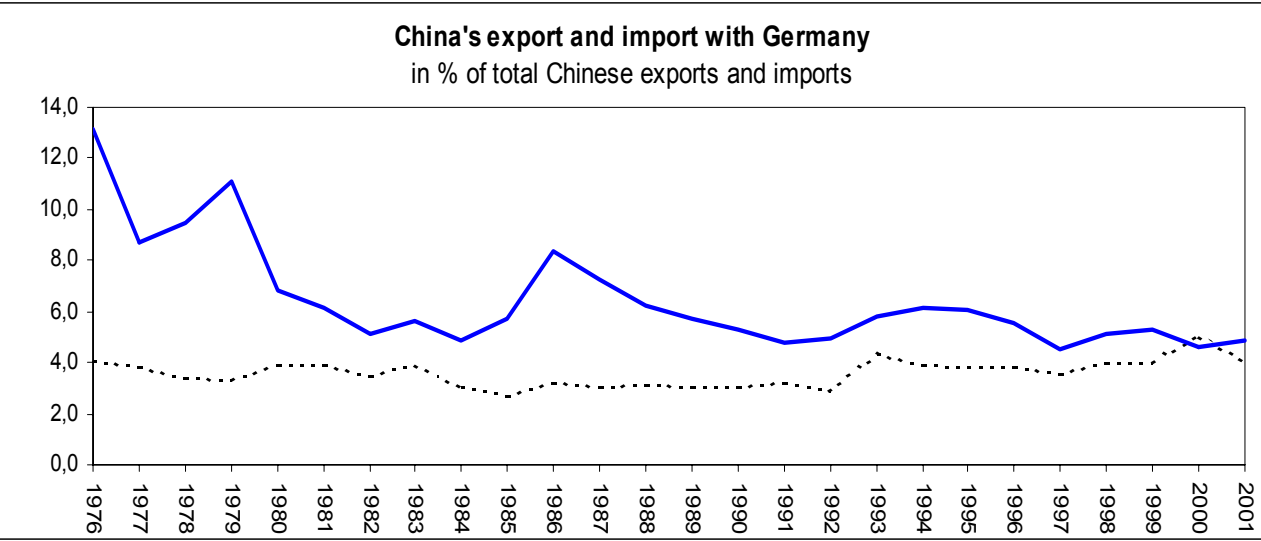
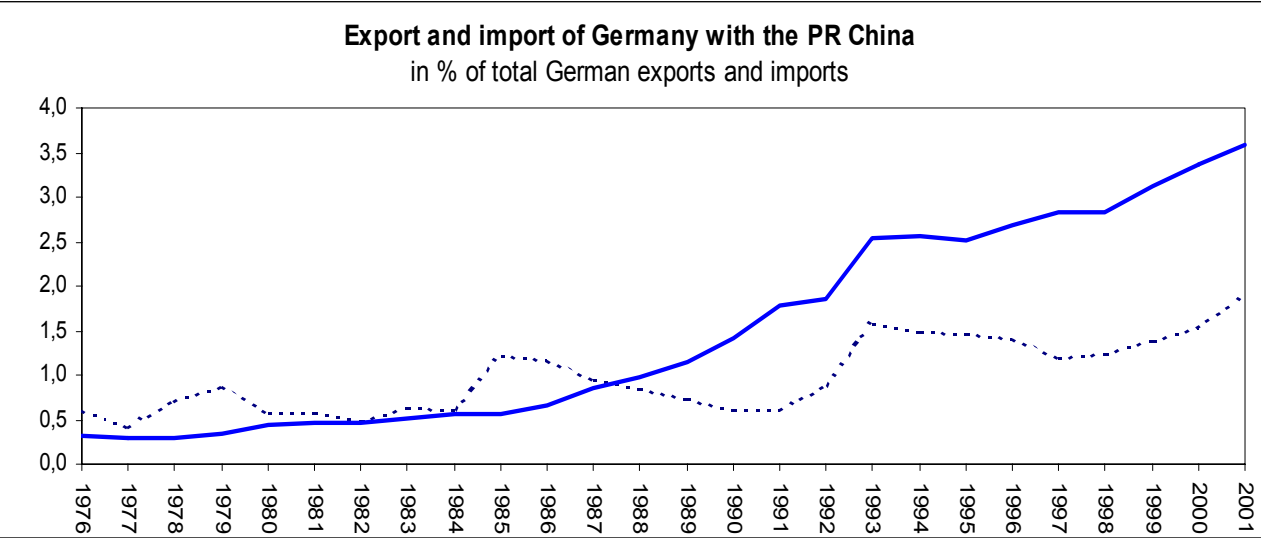
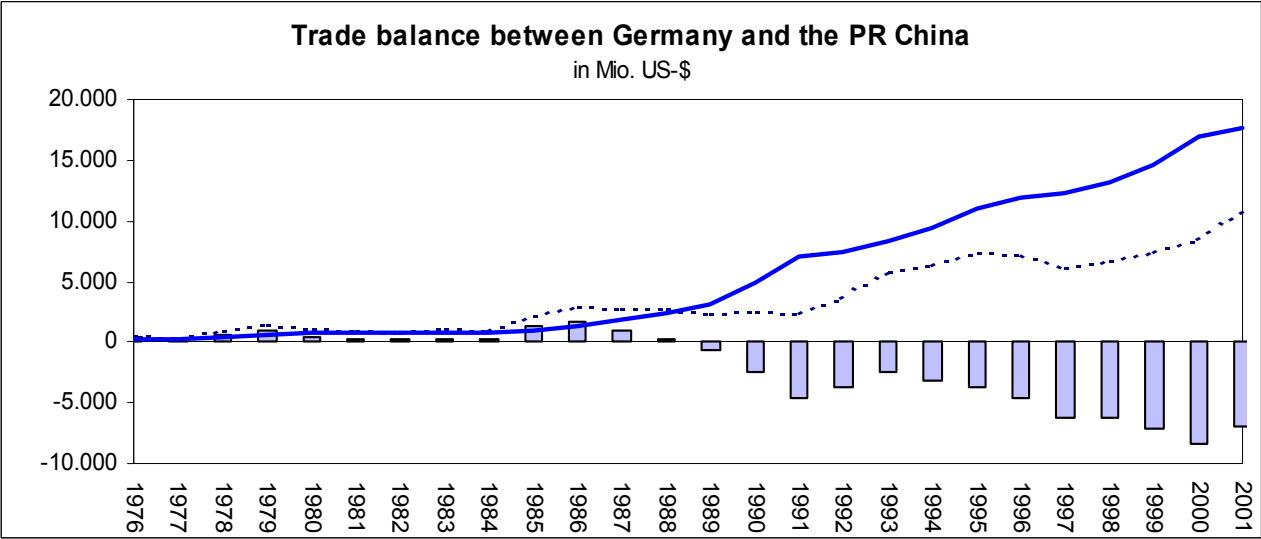
Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

**Chart 8: Indicators of trade relations between France and the PR China**



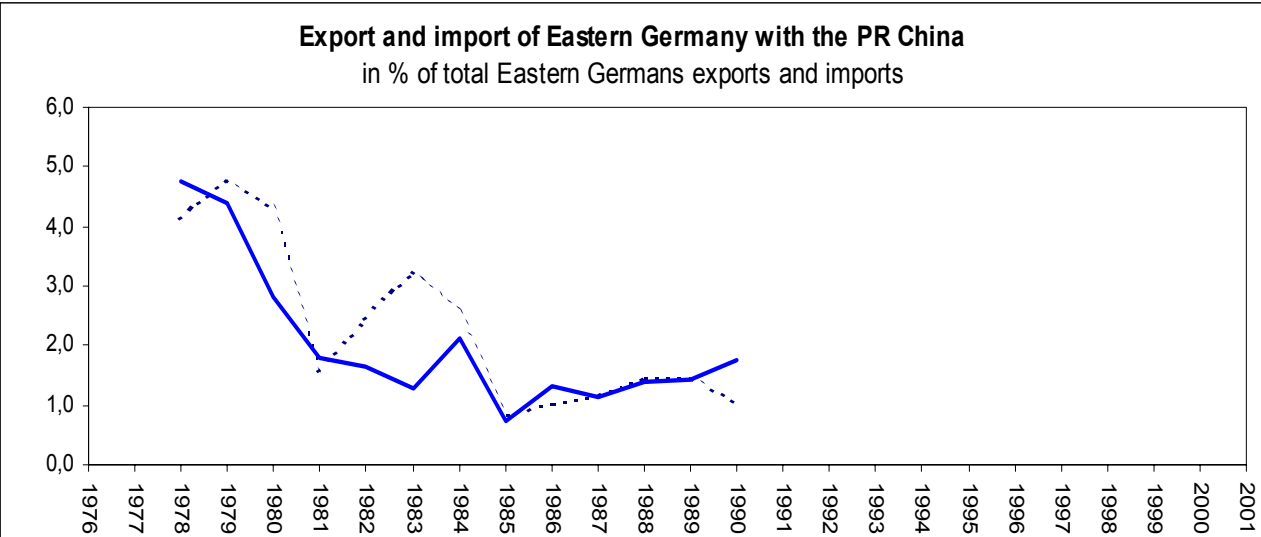
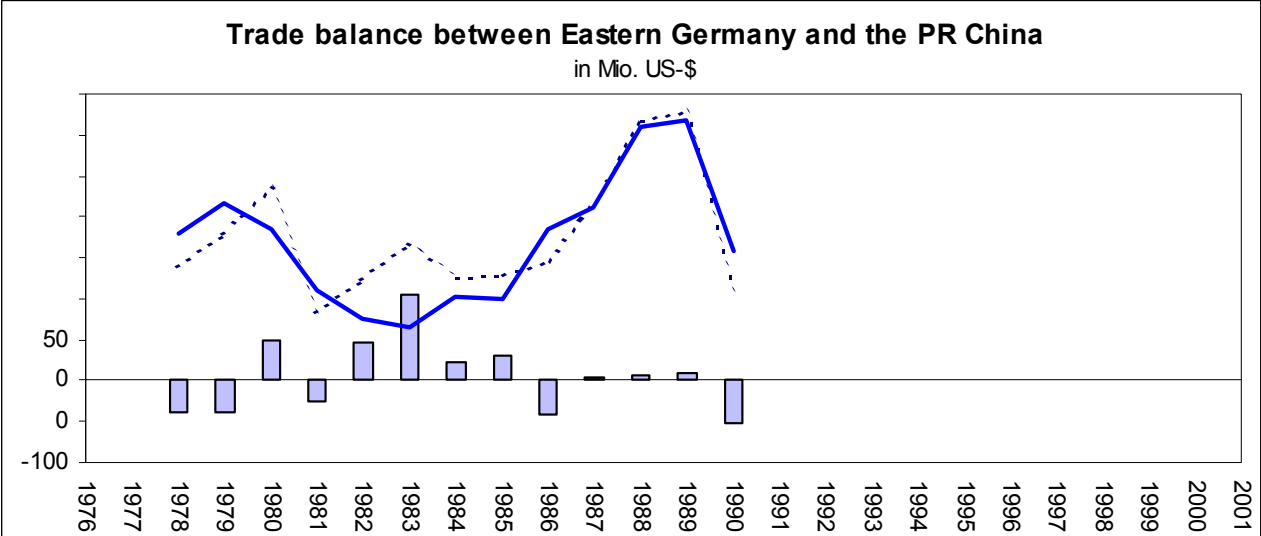
Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

**Chart 9: Indicators of trade relations between Germany and the PR China**



Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

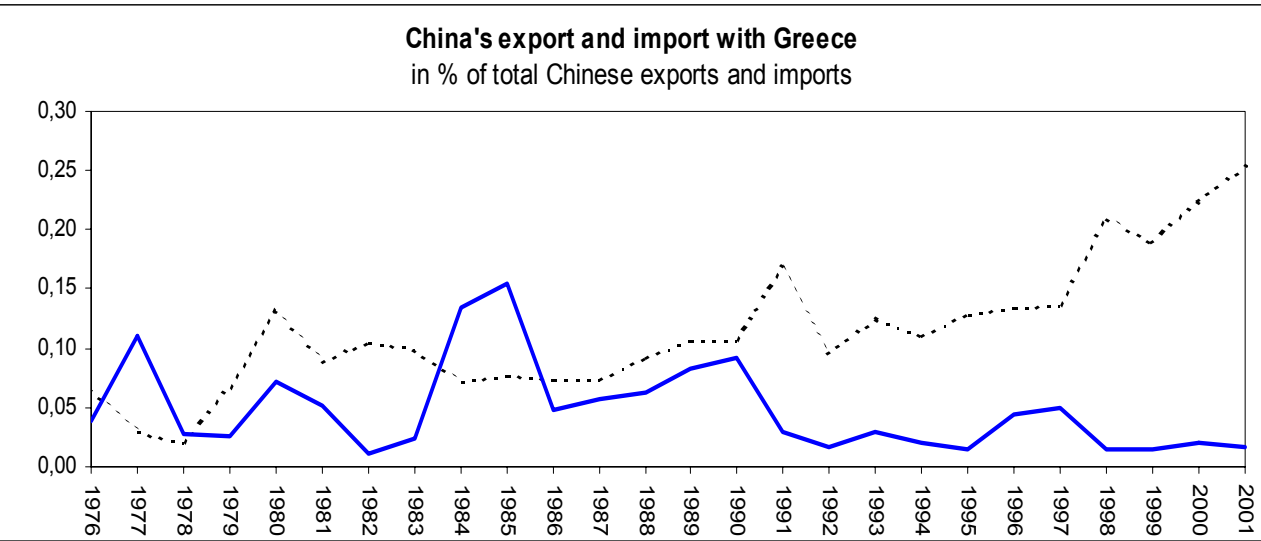
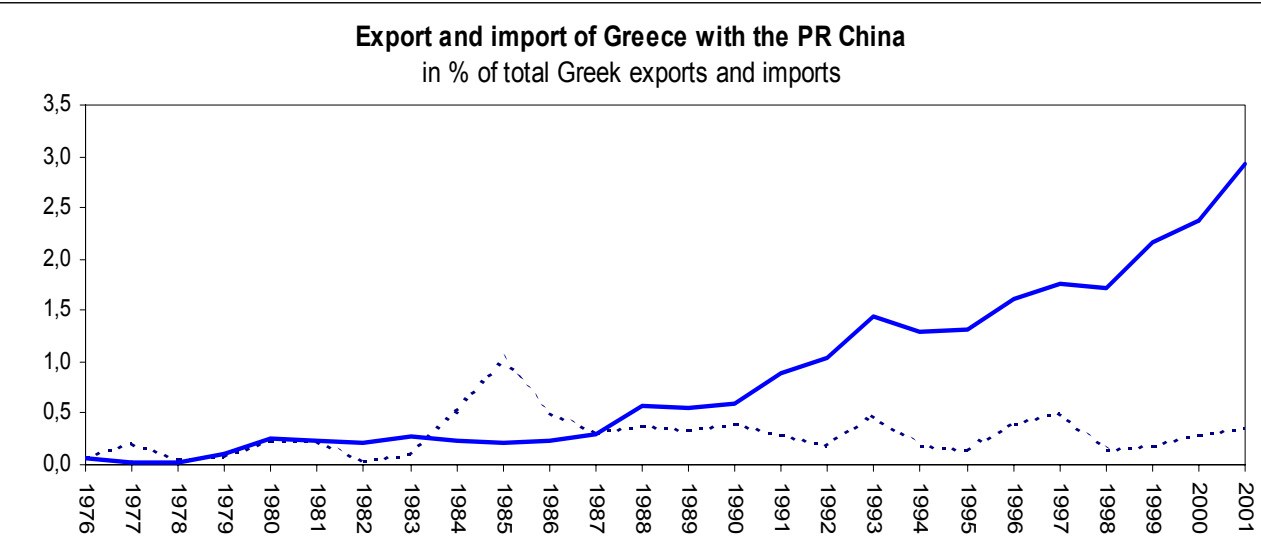
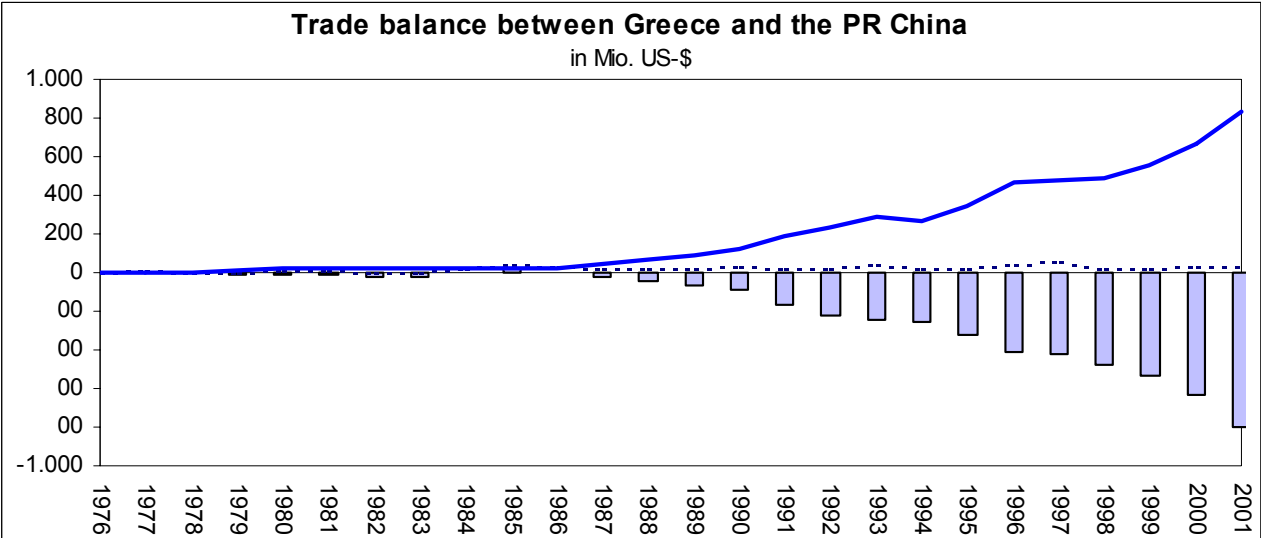
**Chart 10: Indicators of trade relations between Eastern Germany and the PR China**



----- Export      ——— Import

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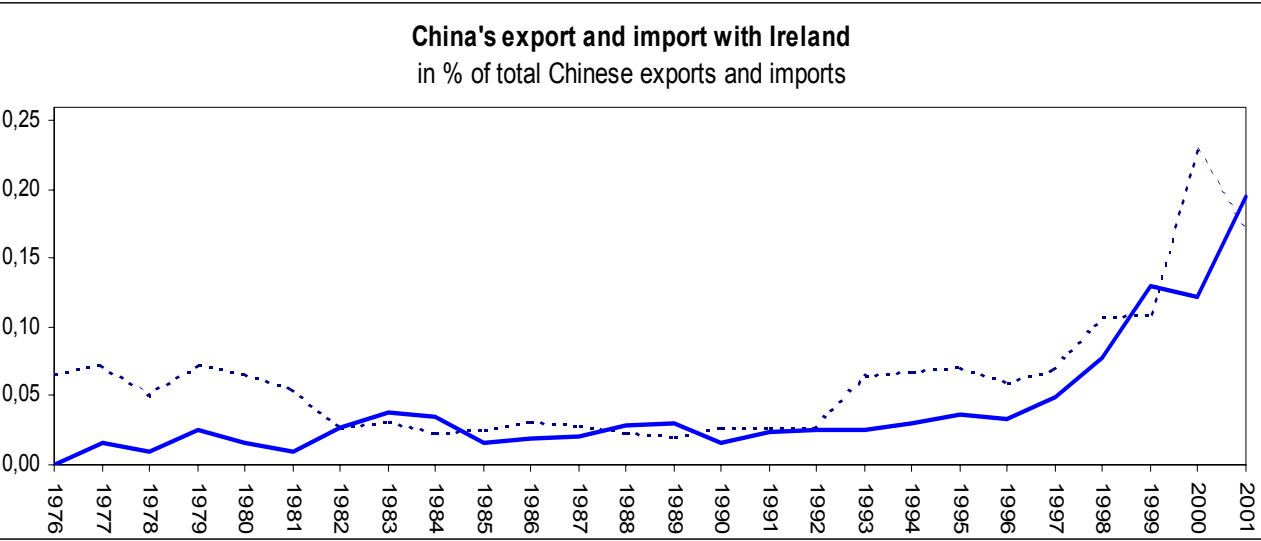
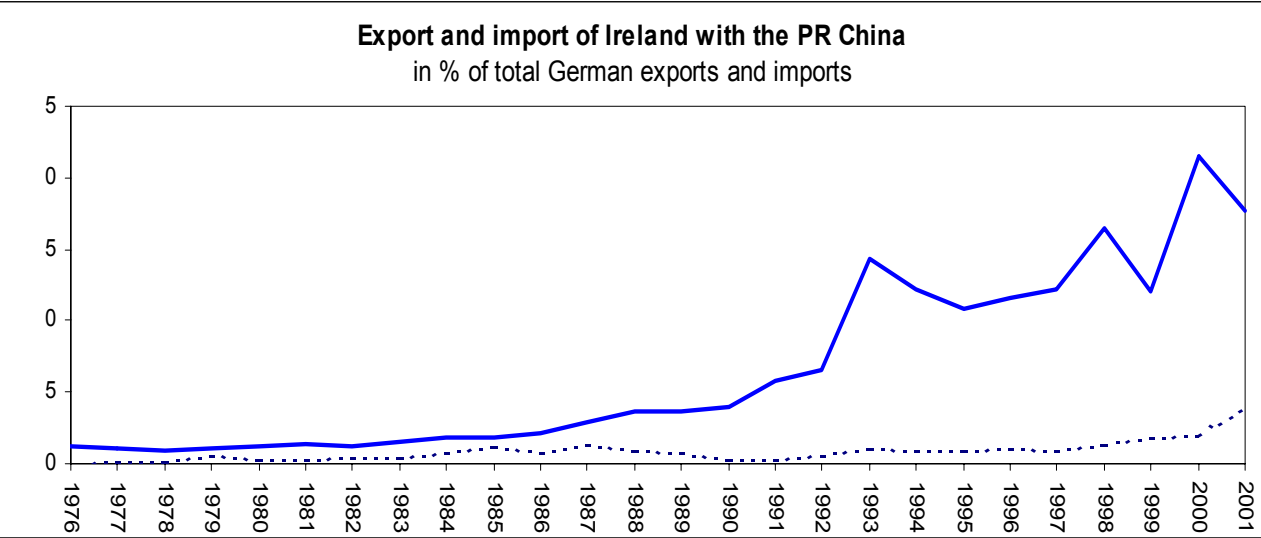
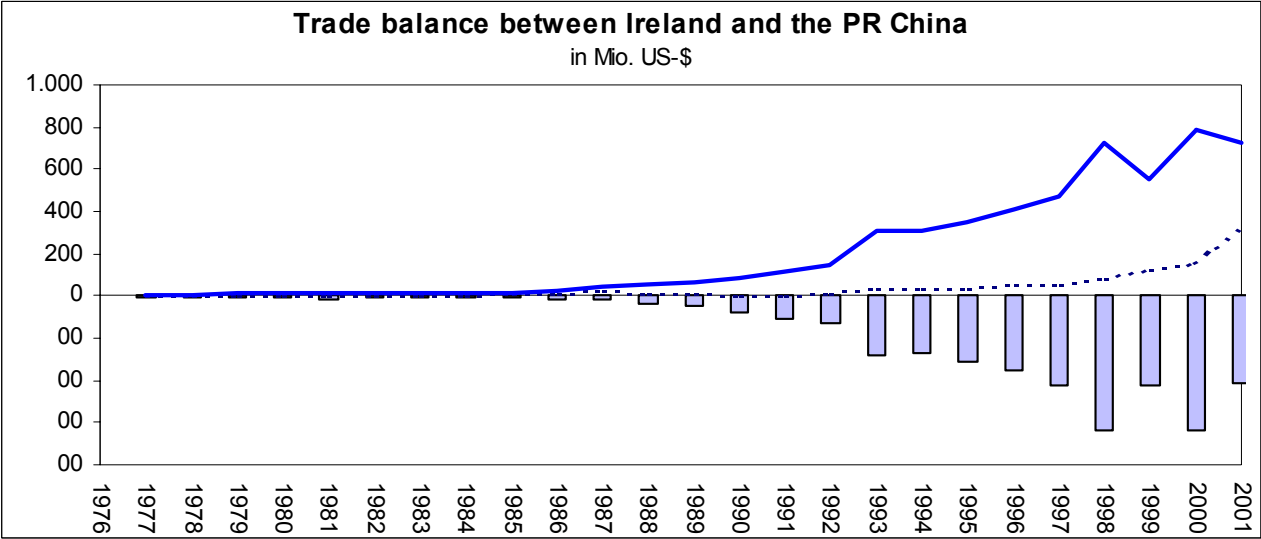
**Chart 11: Indicators of trade relations between Greece and the PR China**



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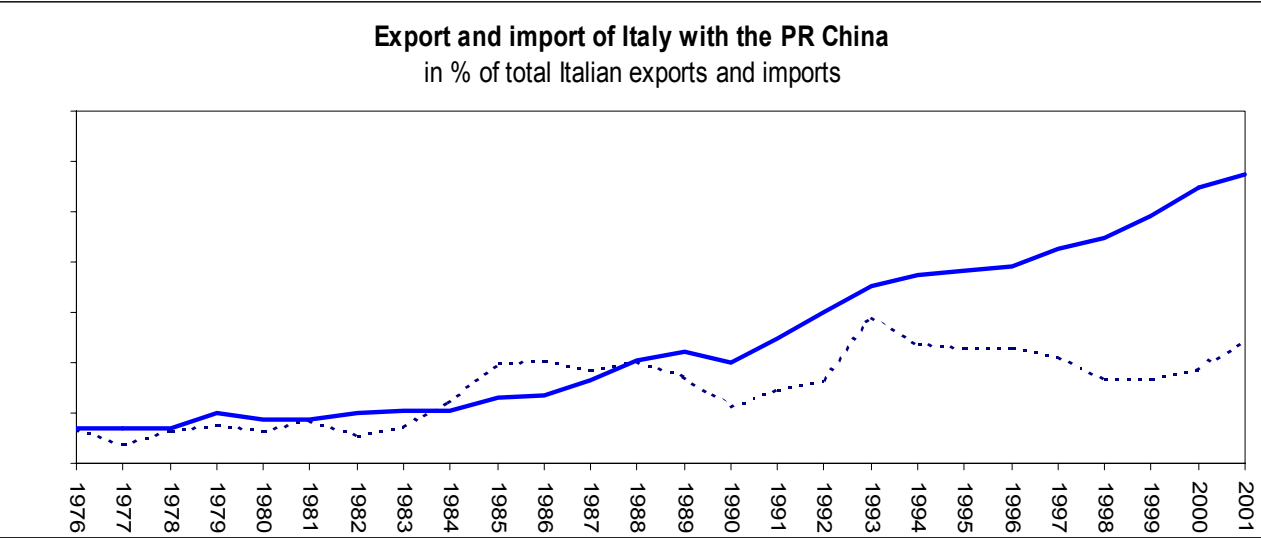
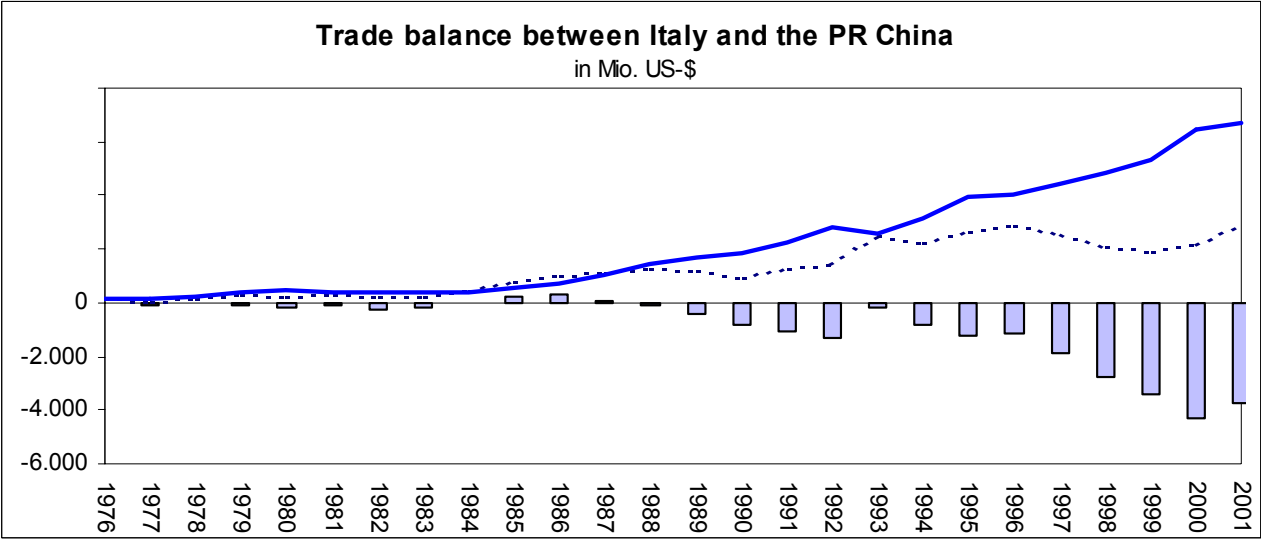
**Chart 12: Indicators of trade relations between Ireland and the PR China**



----- Export      ——— Import

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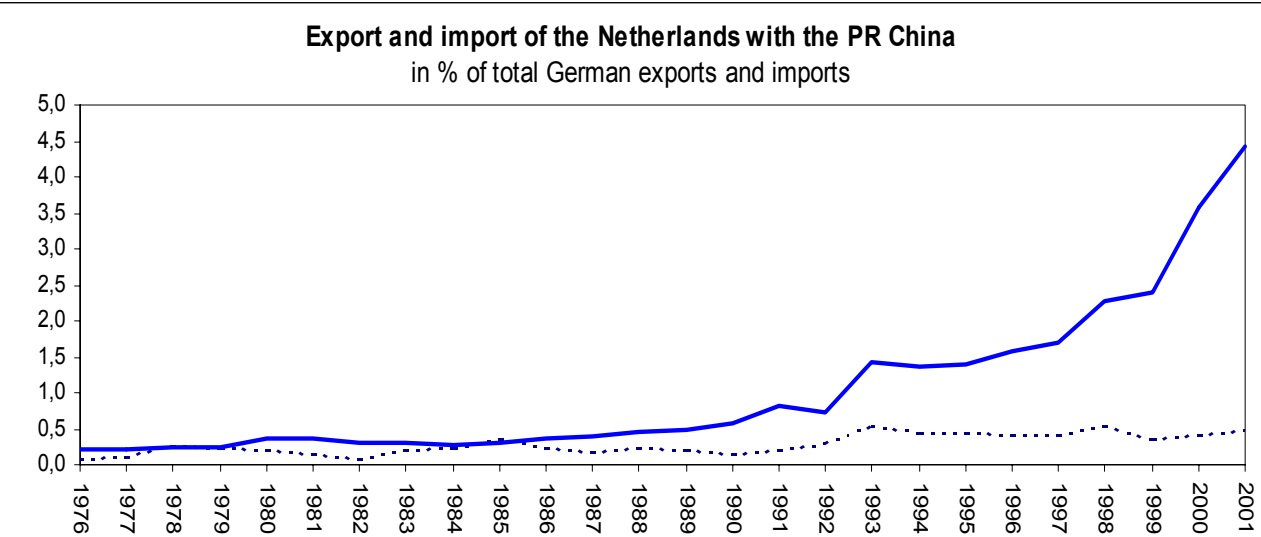
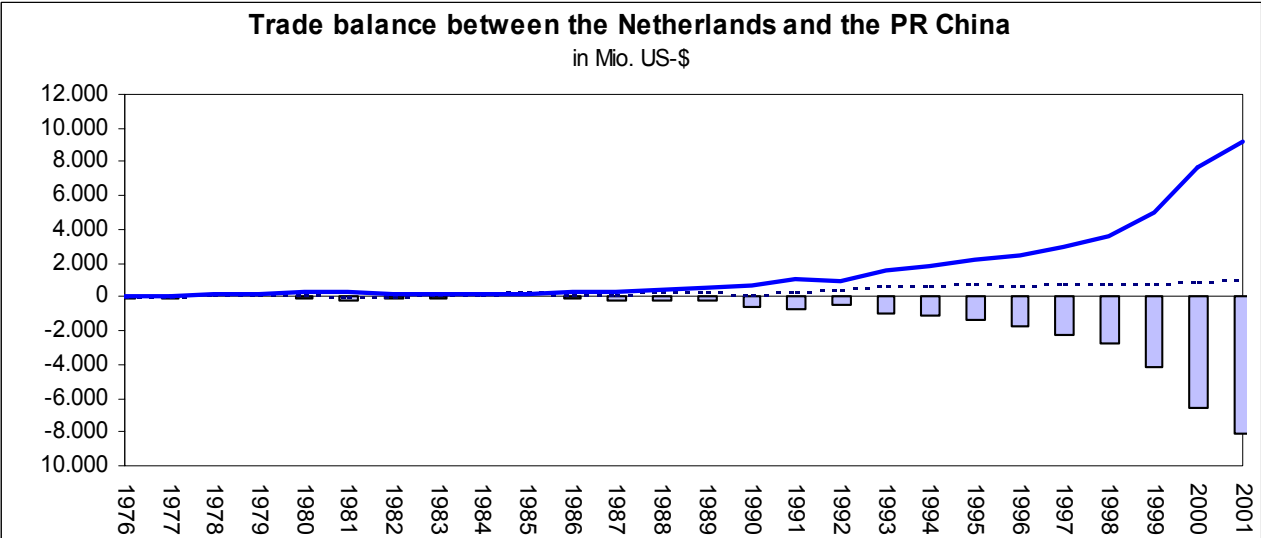
**Chart 13: Indicators of trade relations between Italy and the PR China**



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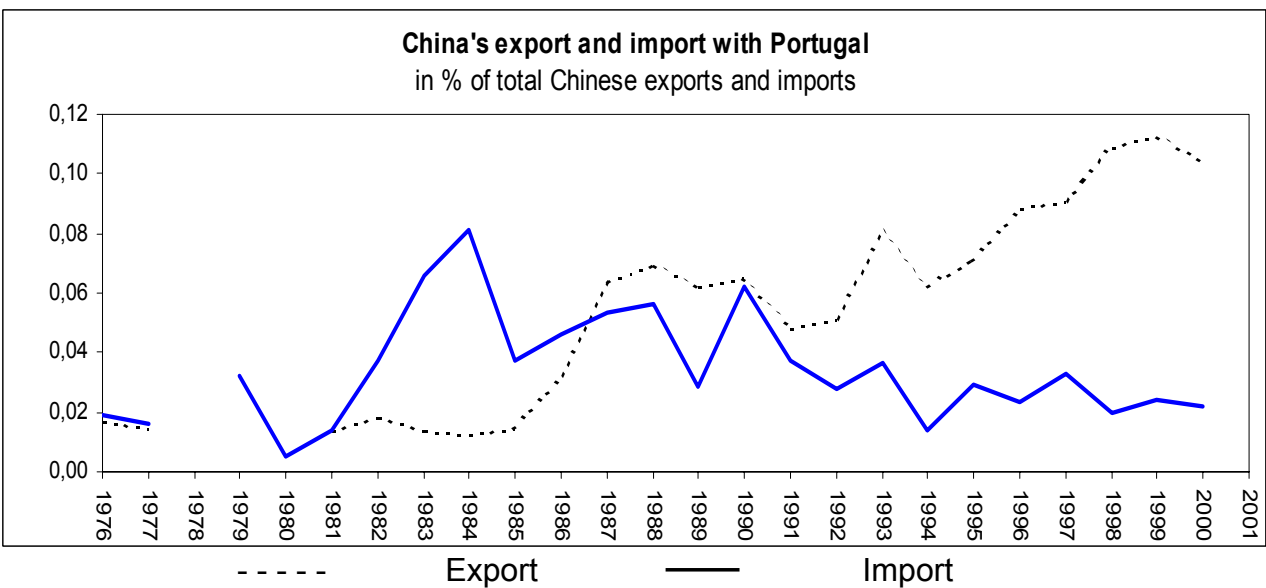
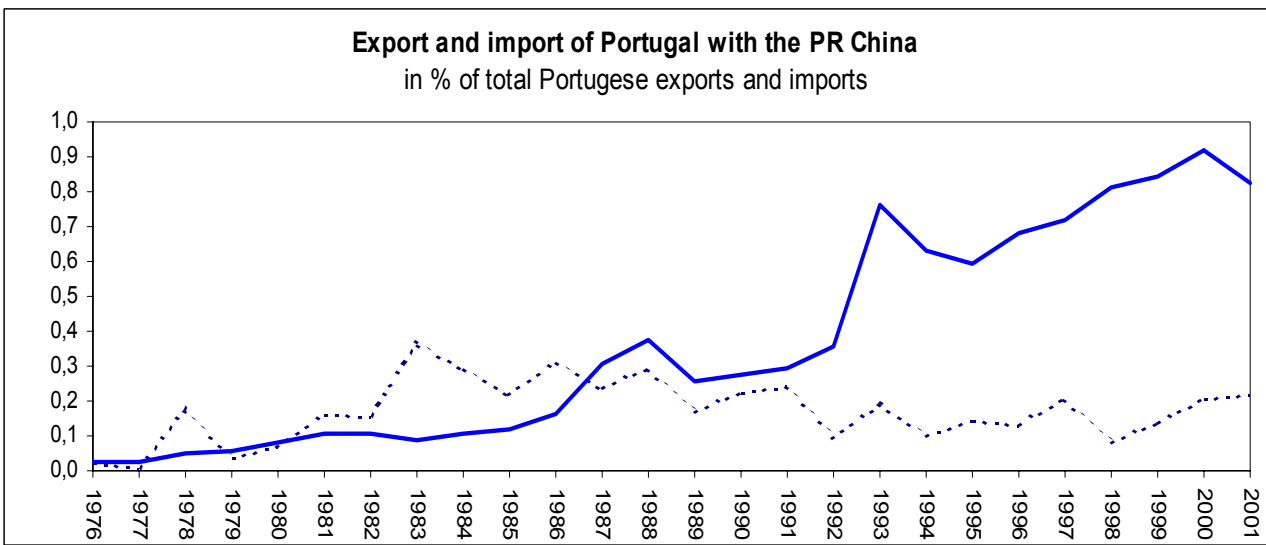
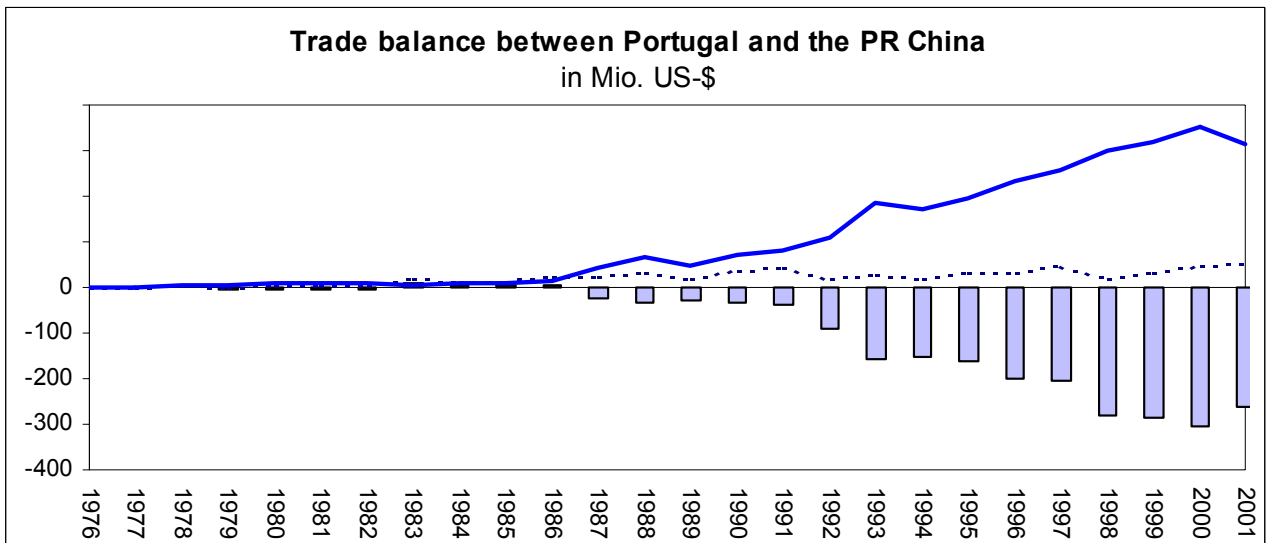
**Chart 14: Indicators of trade relations between the Netherlands and the PR China**



----- Export      ——— Import

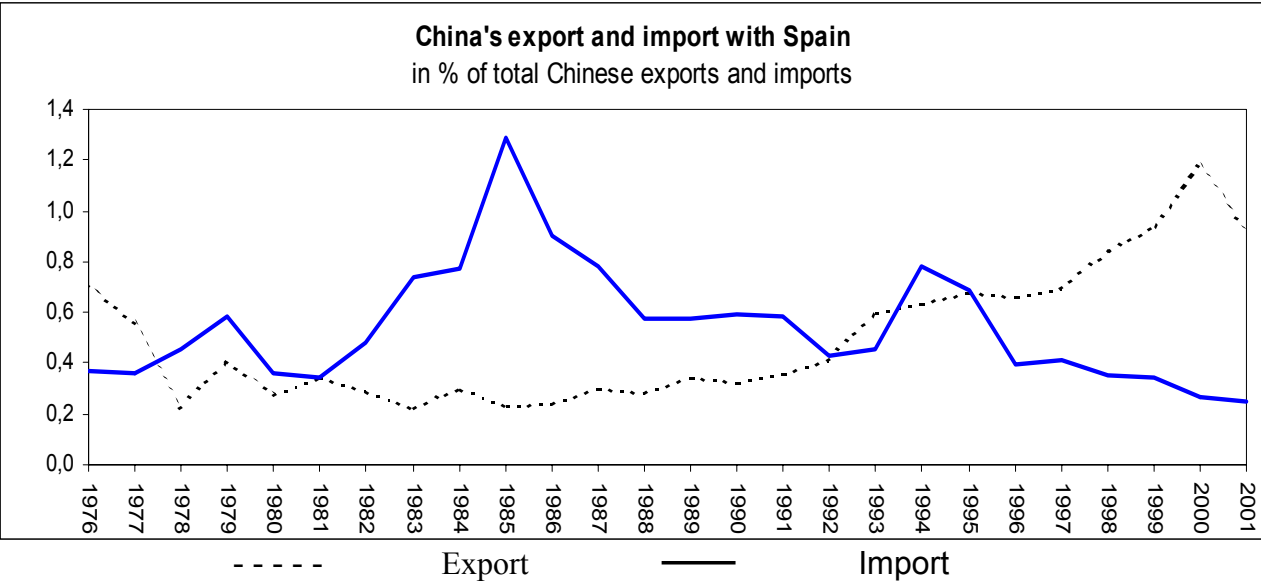
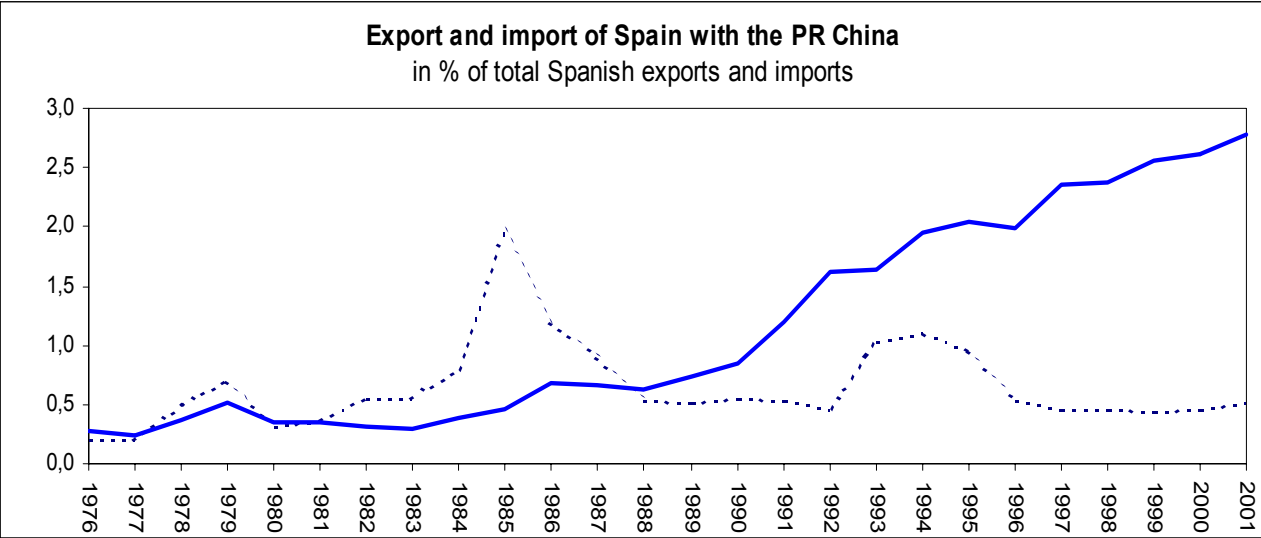
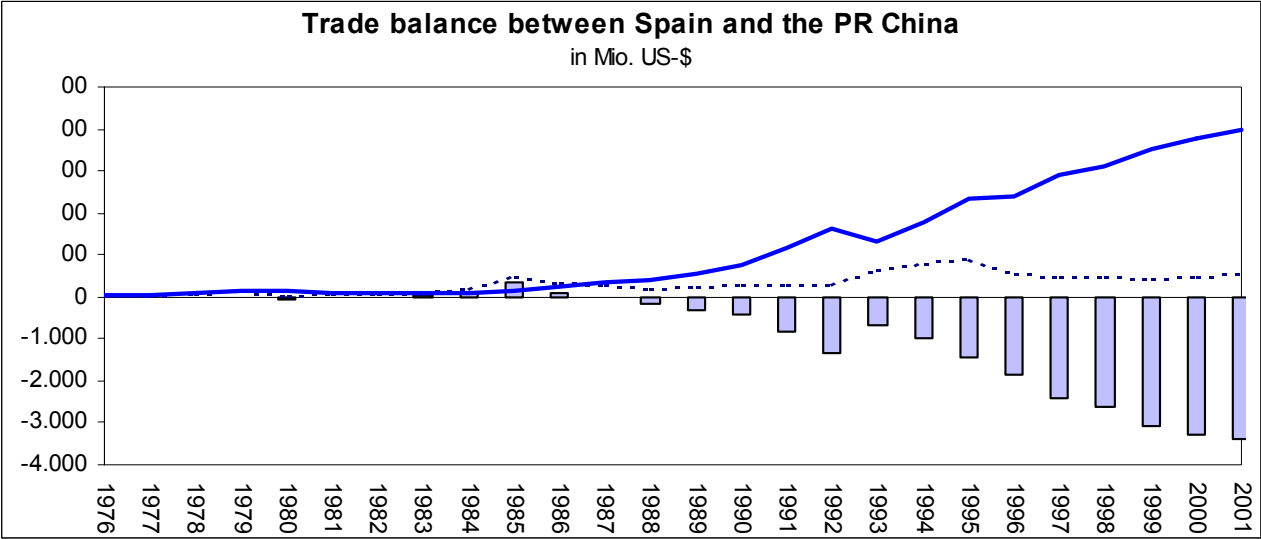
Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

**Chart 15: Indicators of trade relations between Portugal and the PR China**



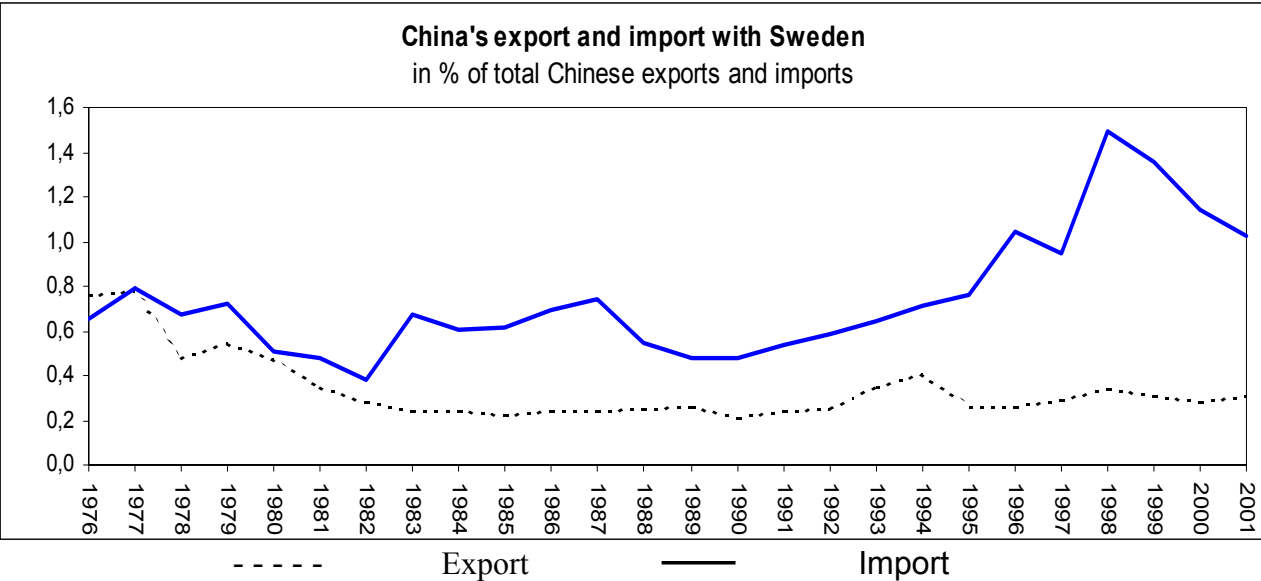
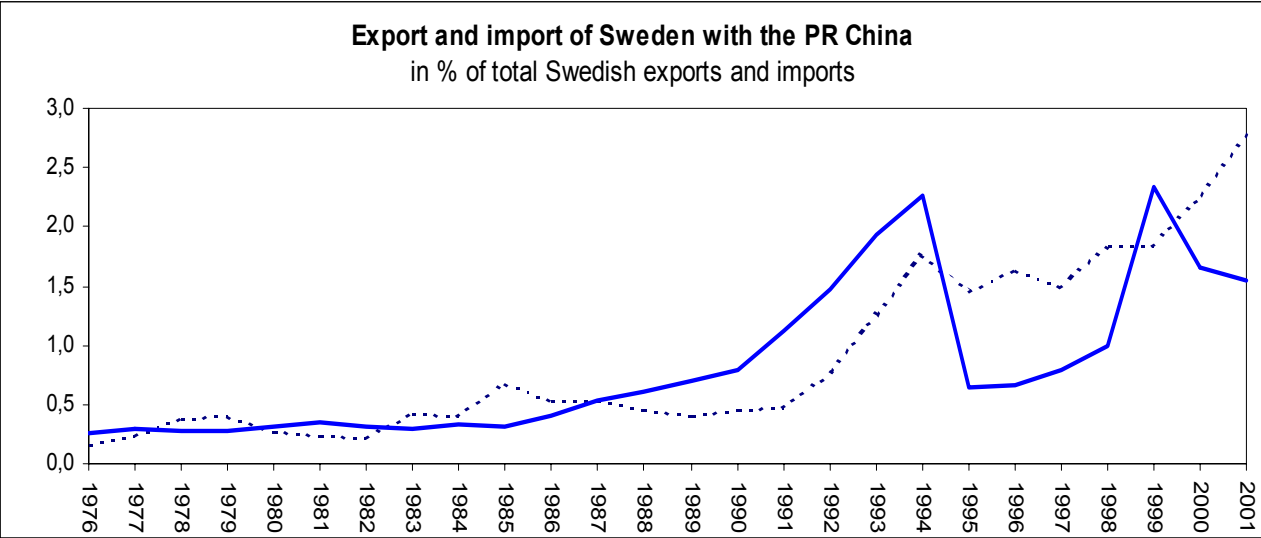
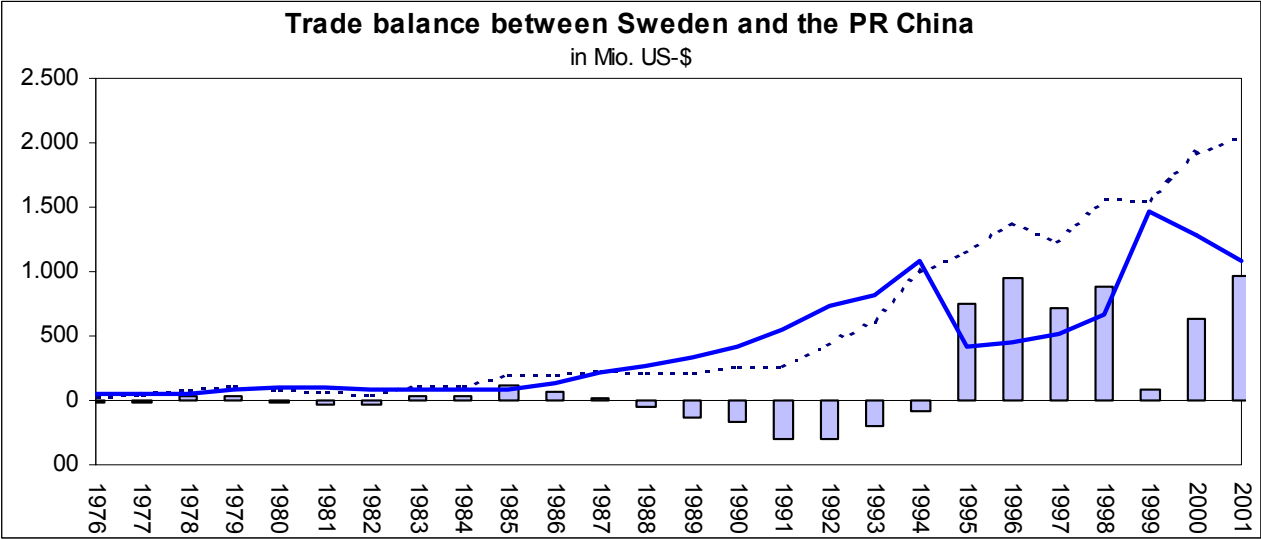
Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

**Chart 16: Indicators of trade relations between Spain and the PR China**



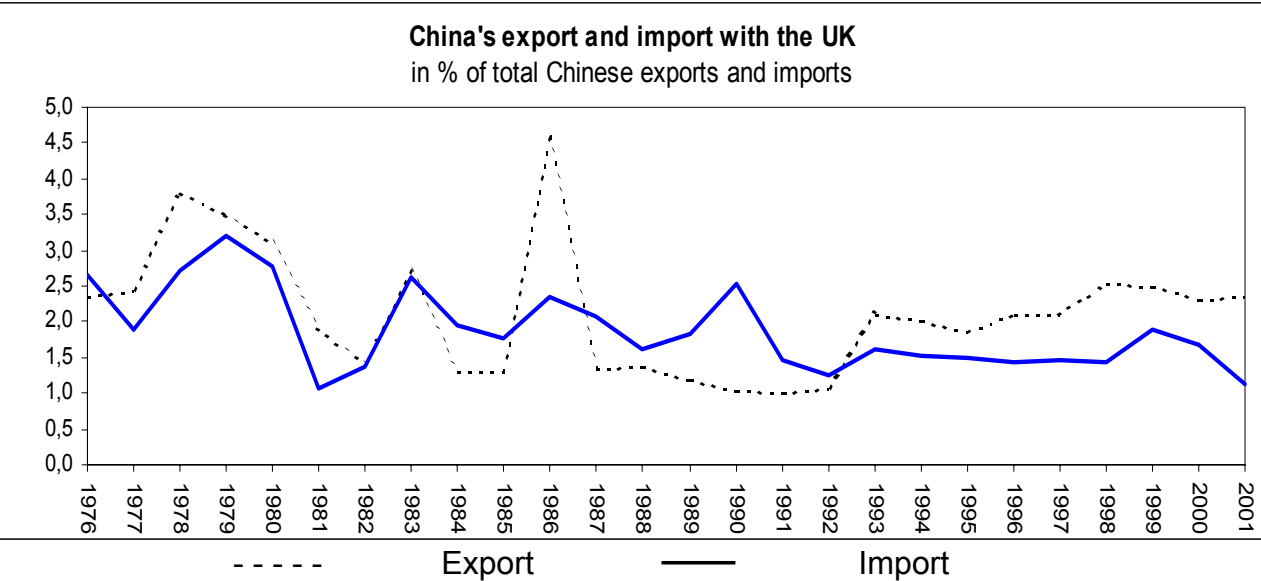
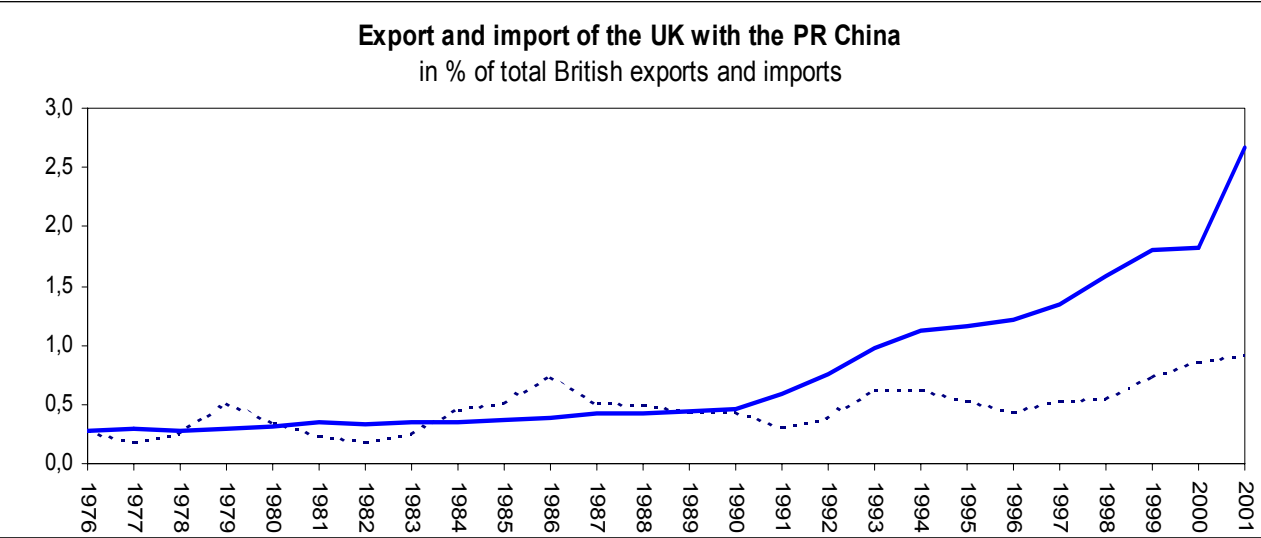
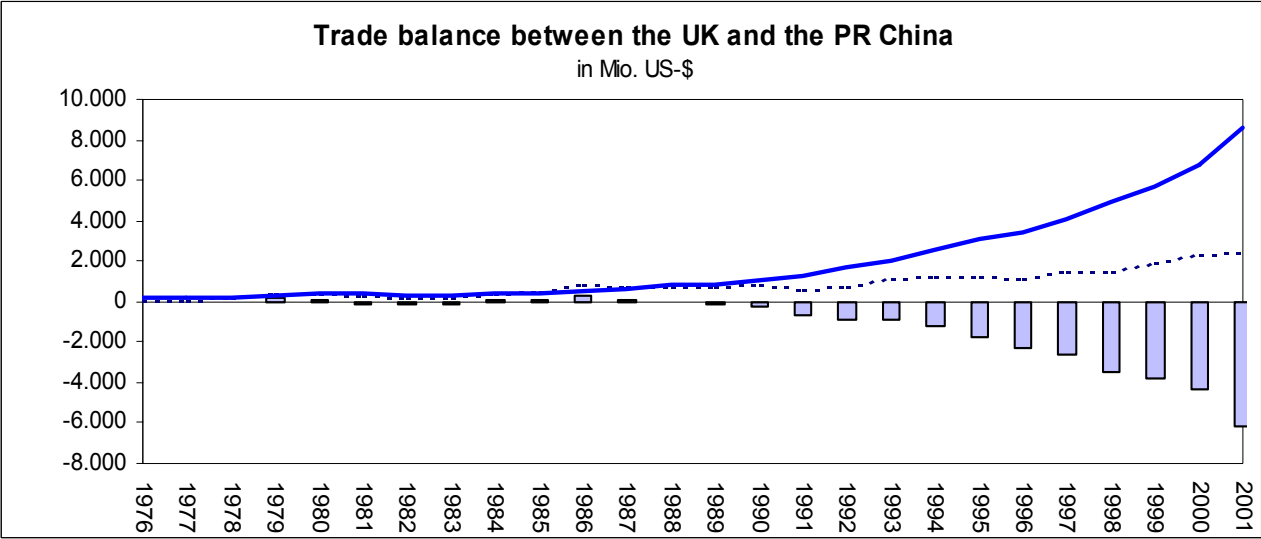
Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

**Chart 17: Indicators of trade relations between Sweden and the PR China**



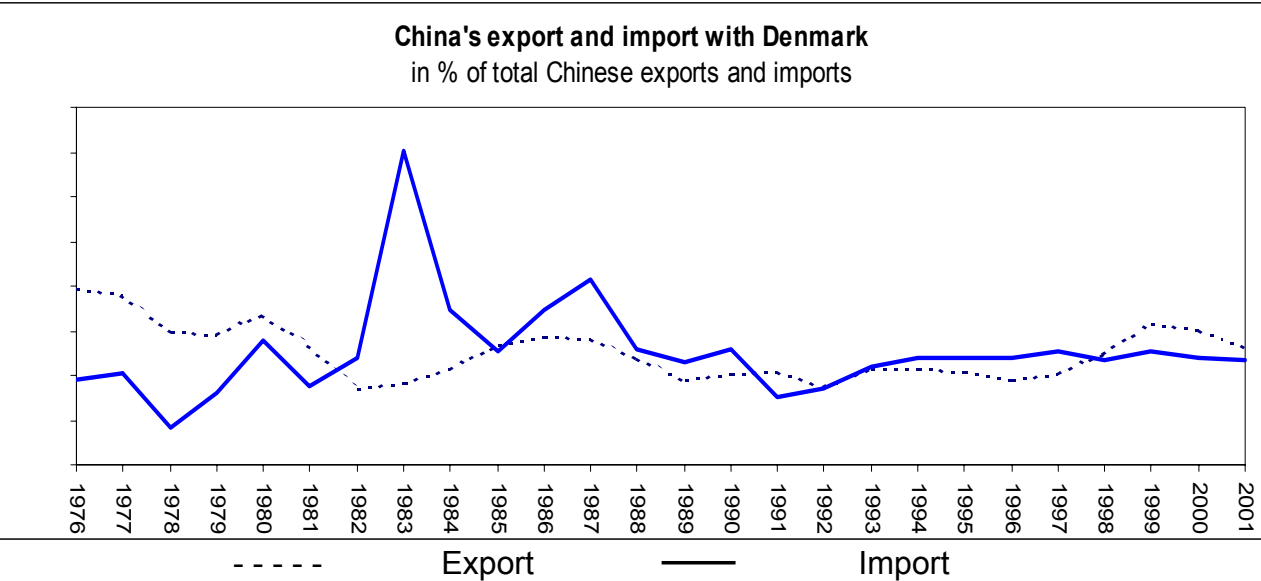
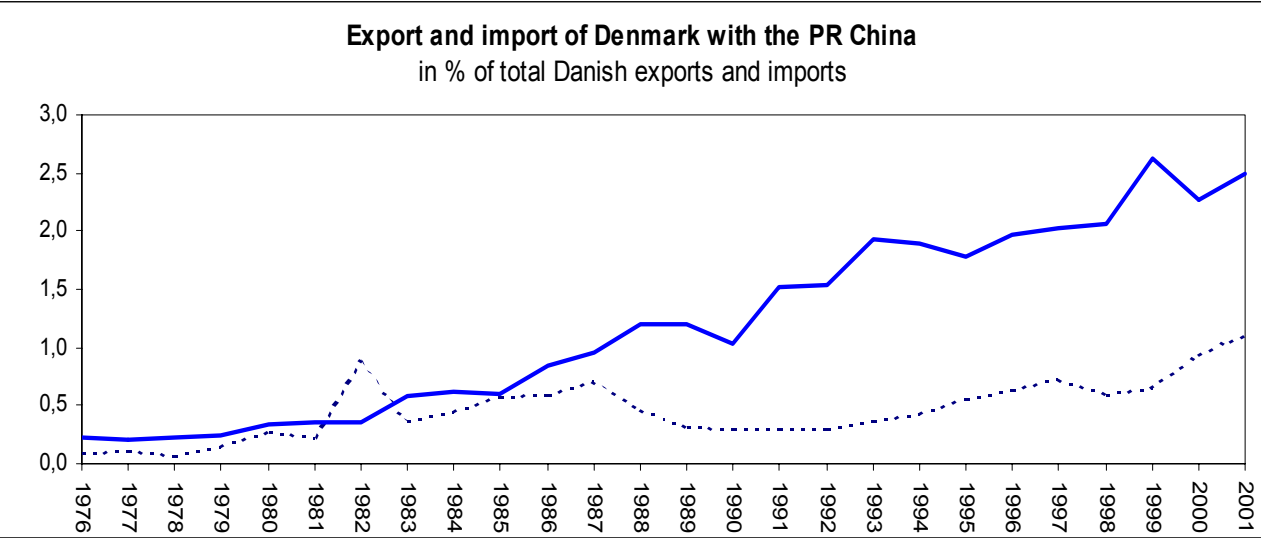
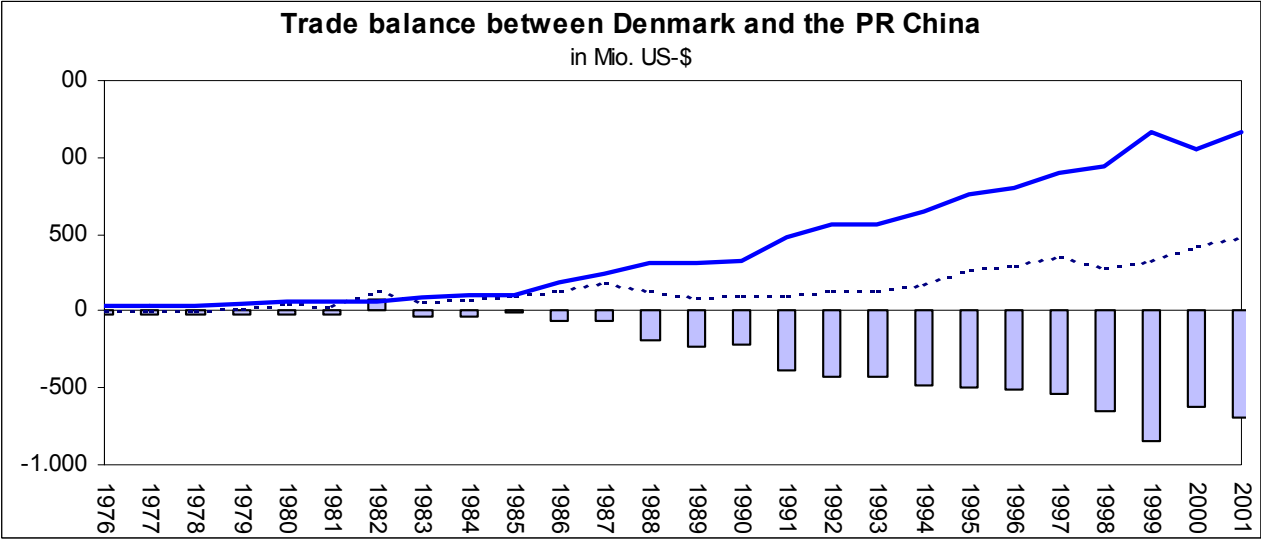
Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

**Chart 18: Indicators of trade relations between the UK and the PR China**



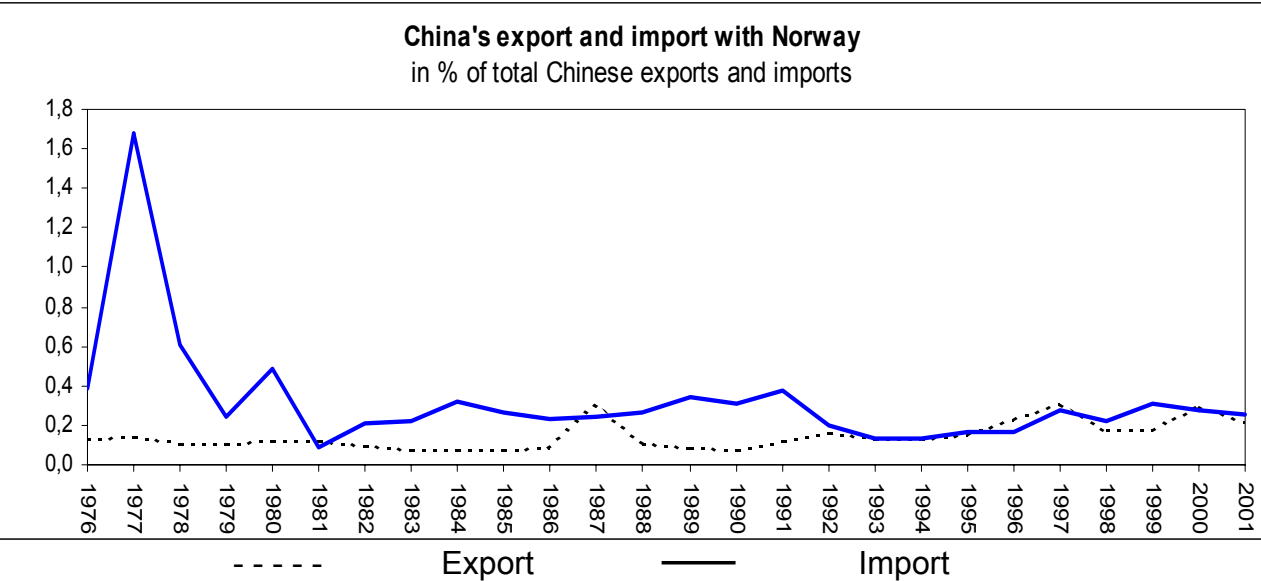
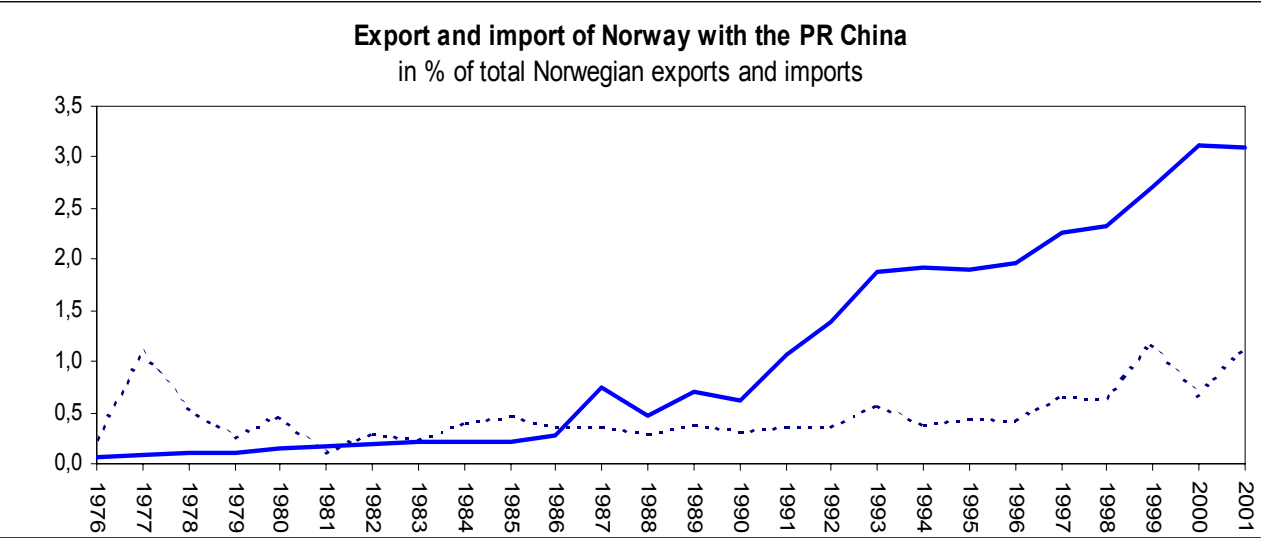
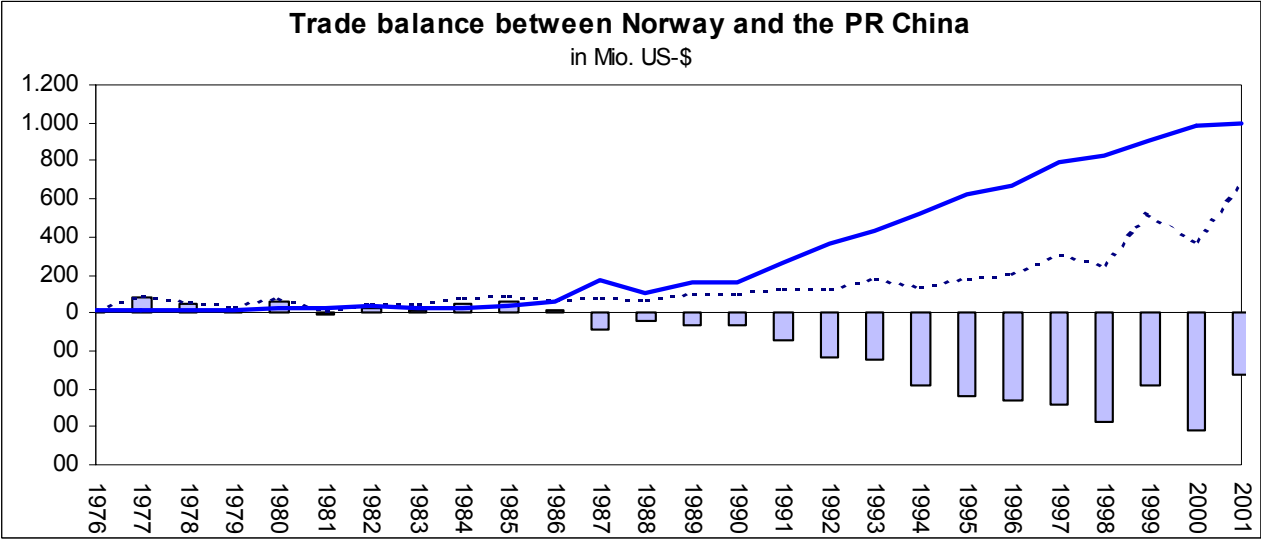
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**Chart 19: Indicators of trade relations between Denmark and the PR China**



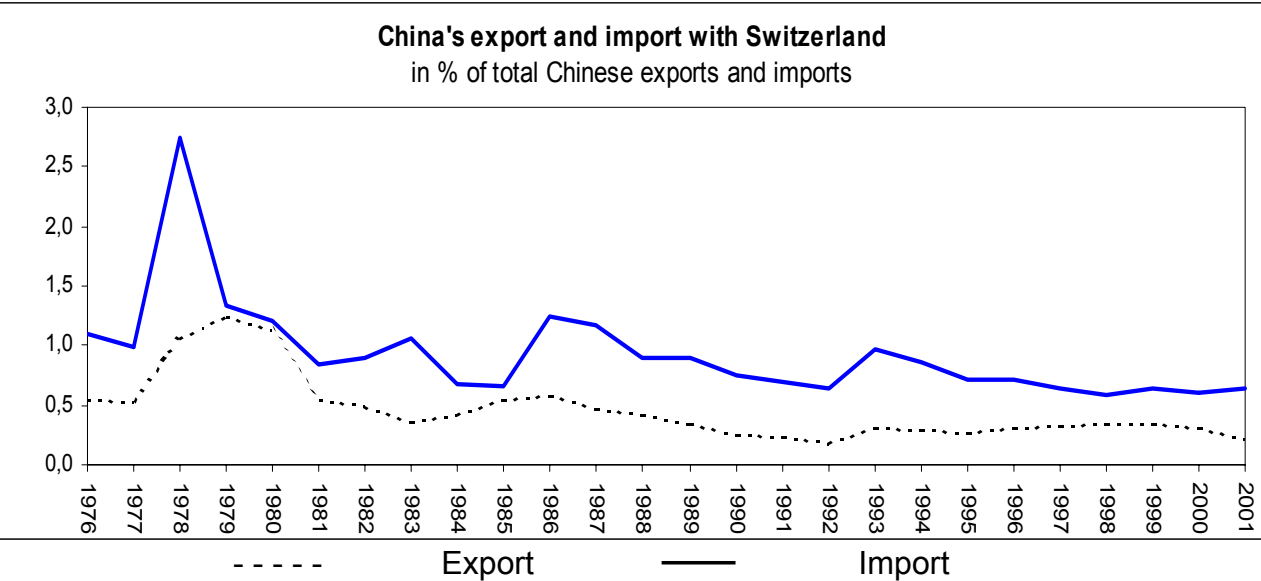
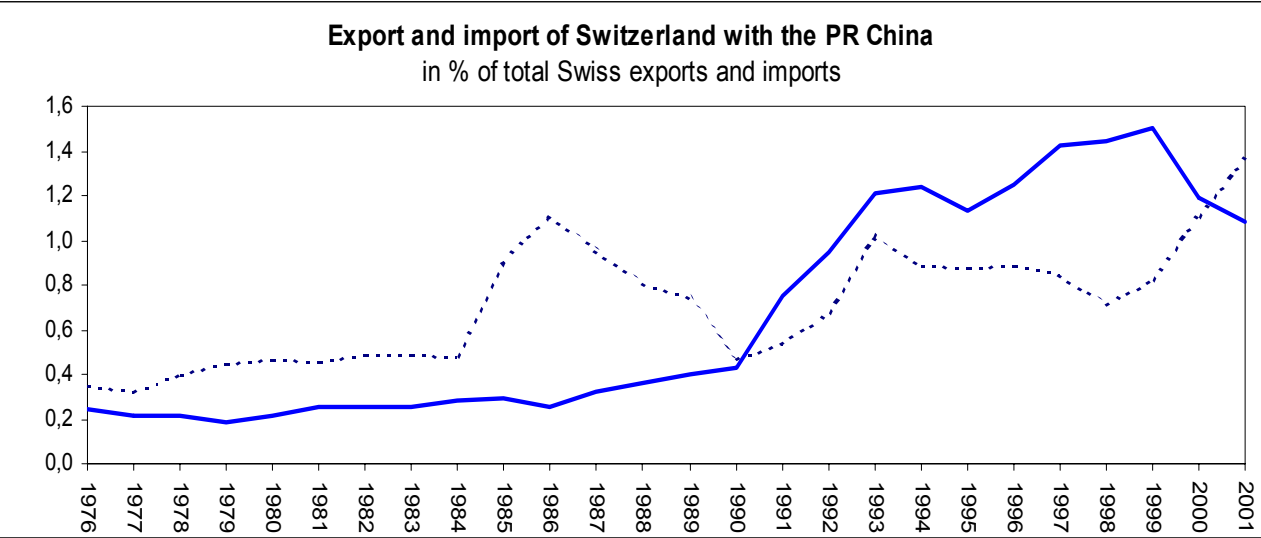
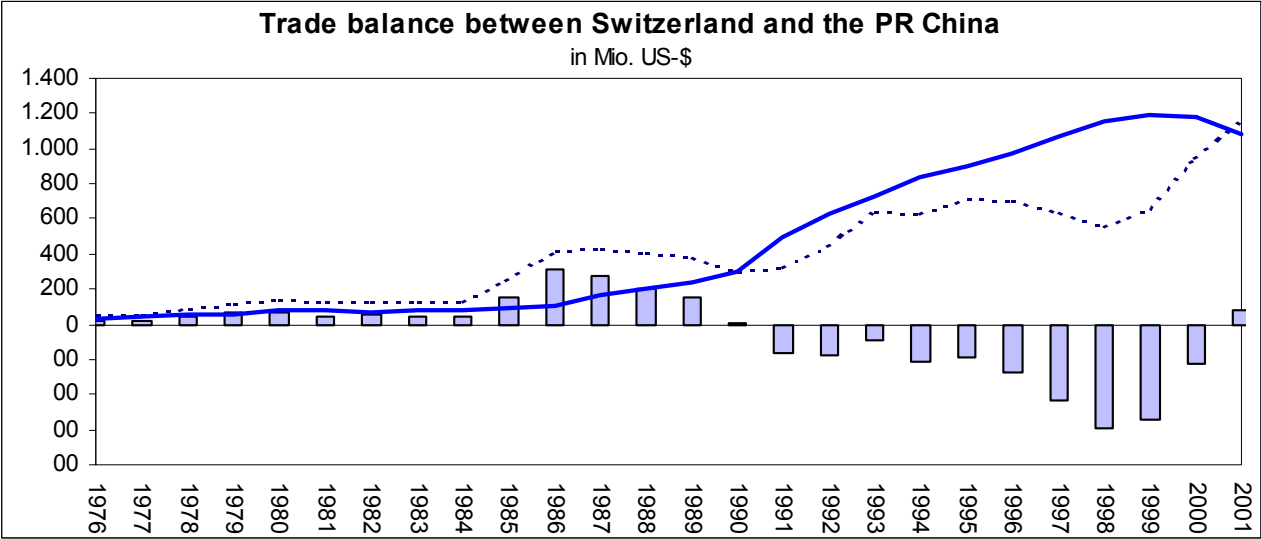
Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

**Chart 20: Indicators of trade relations between Norway and the PR China**



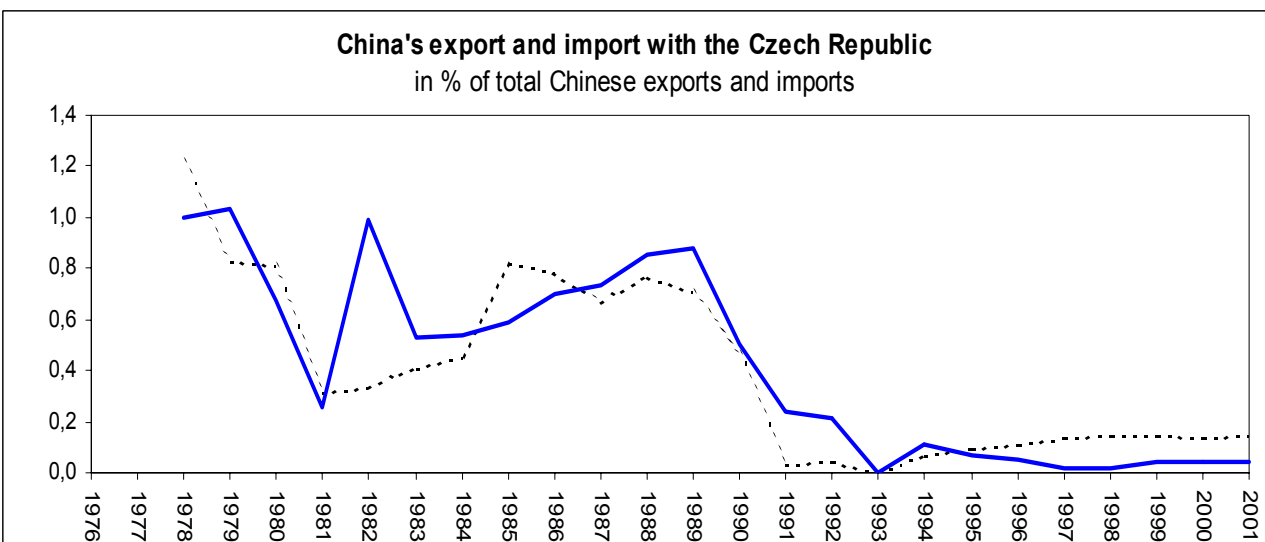
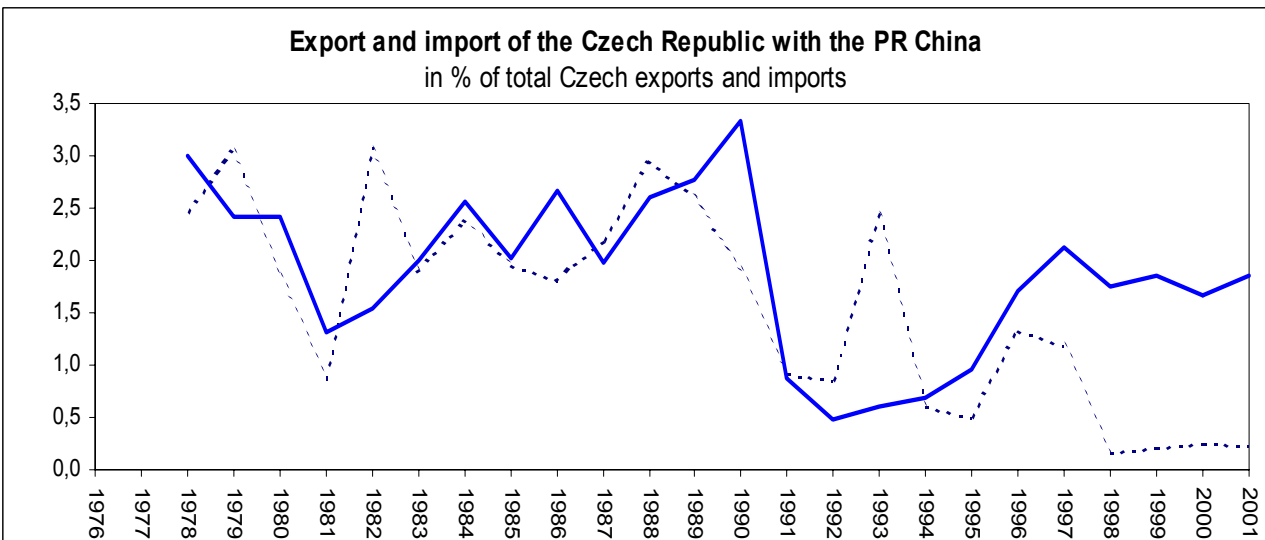
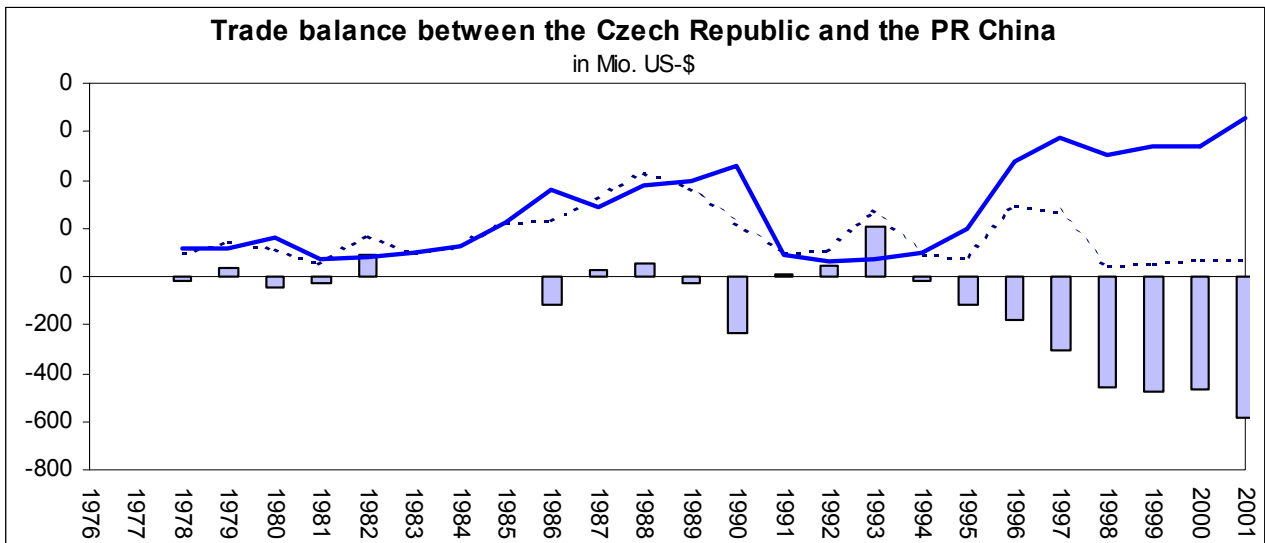
Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

**Chart 21: Indicators of trade relations between Switzerland and the PR China**



Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

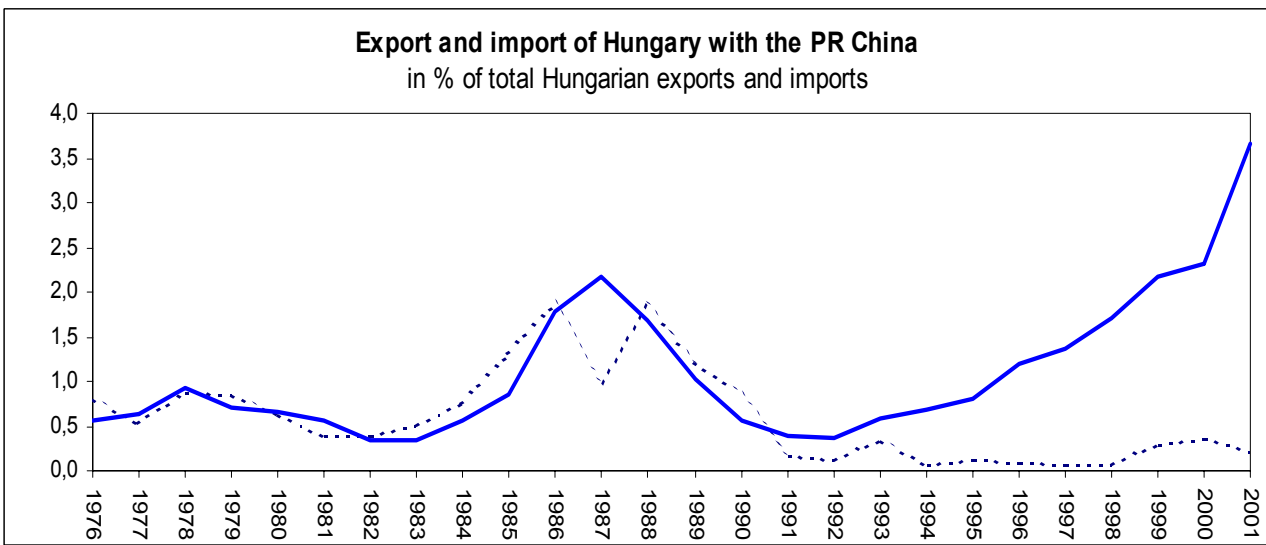
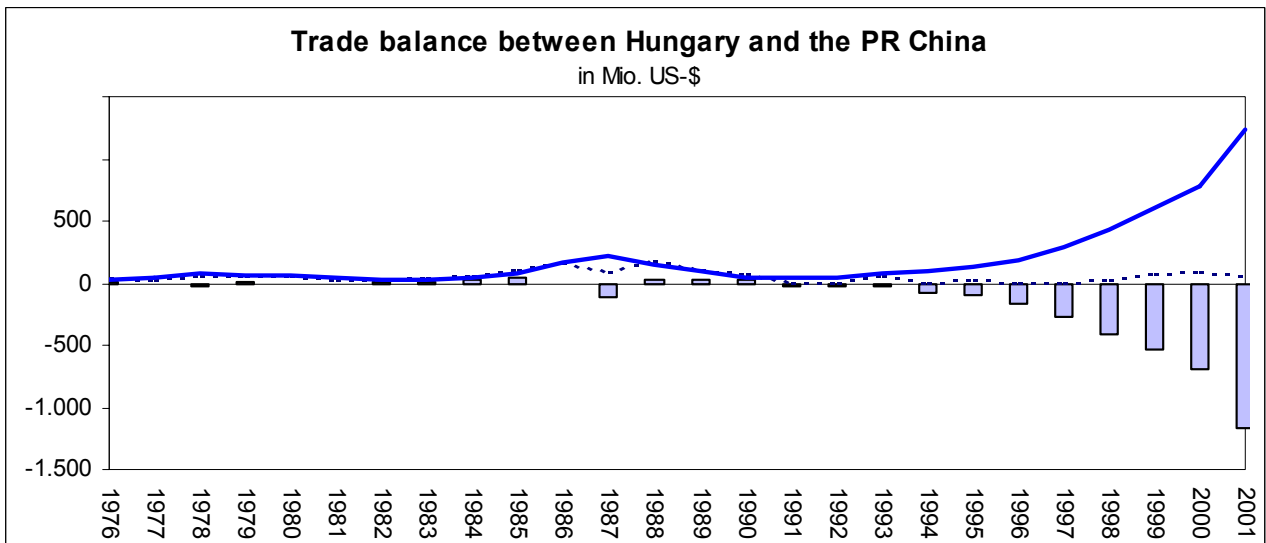
**Chart 22: Indicators of trade relations between the Czech Republic and the PR China**



----- Export      ——— Import

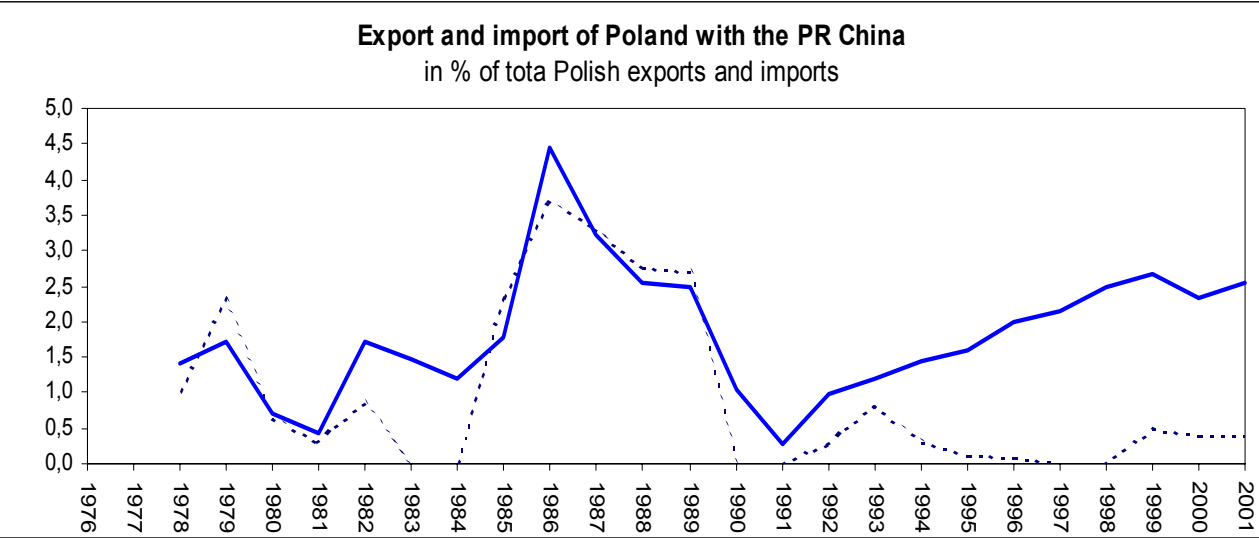
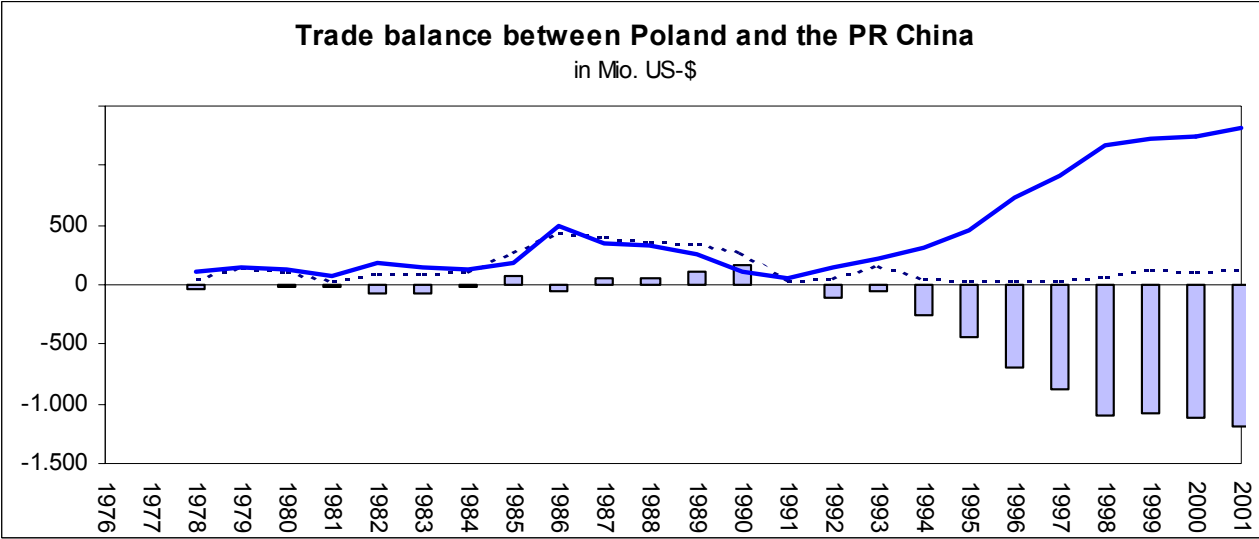
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**Chart 23: Indicators of trade relations between Hungary and the PR China**



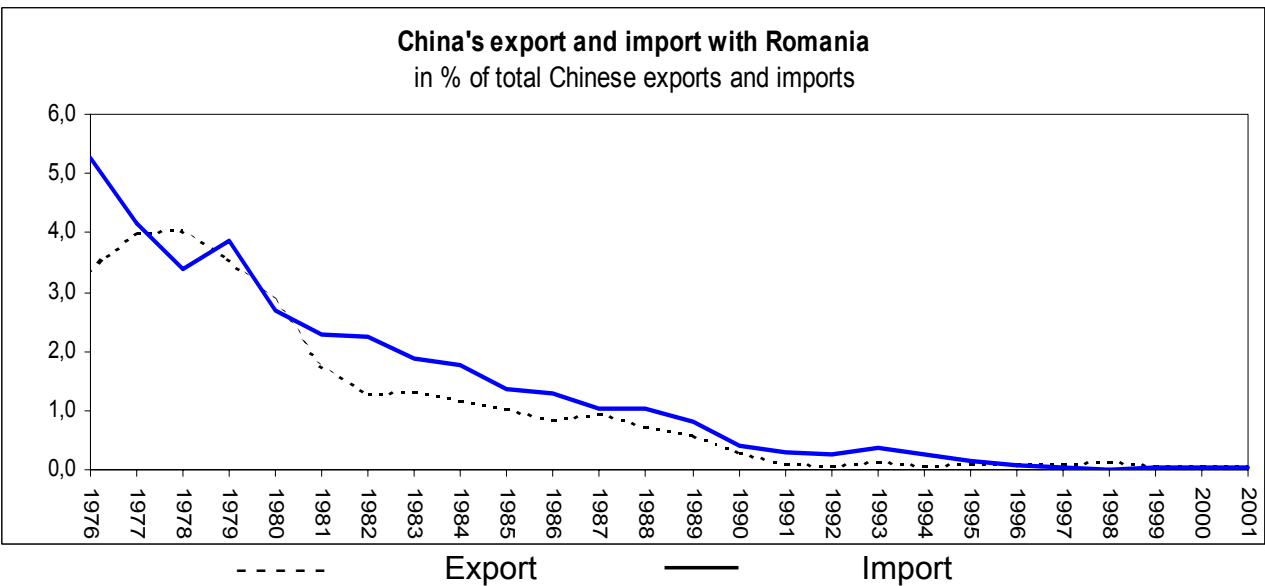
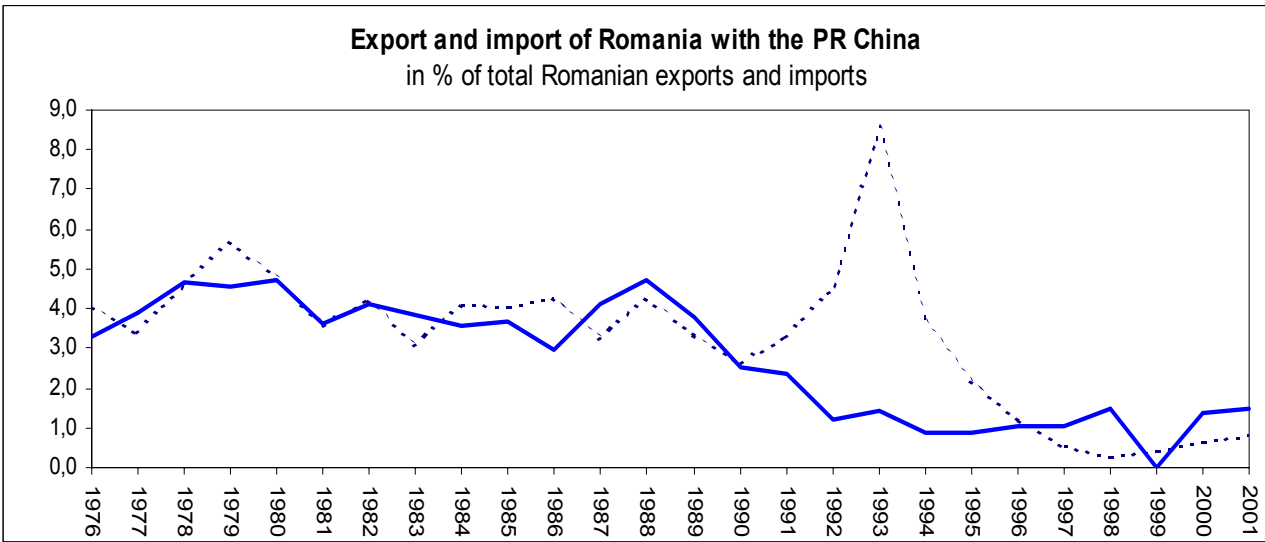
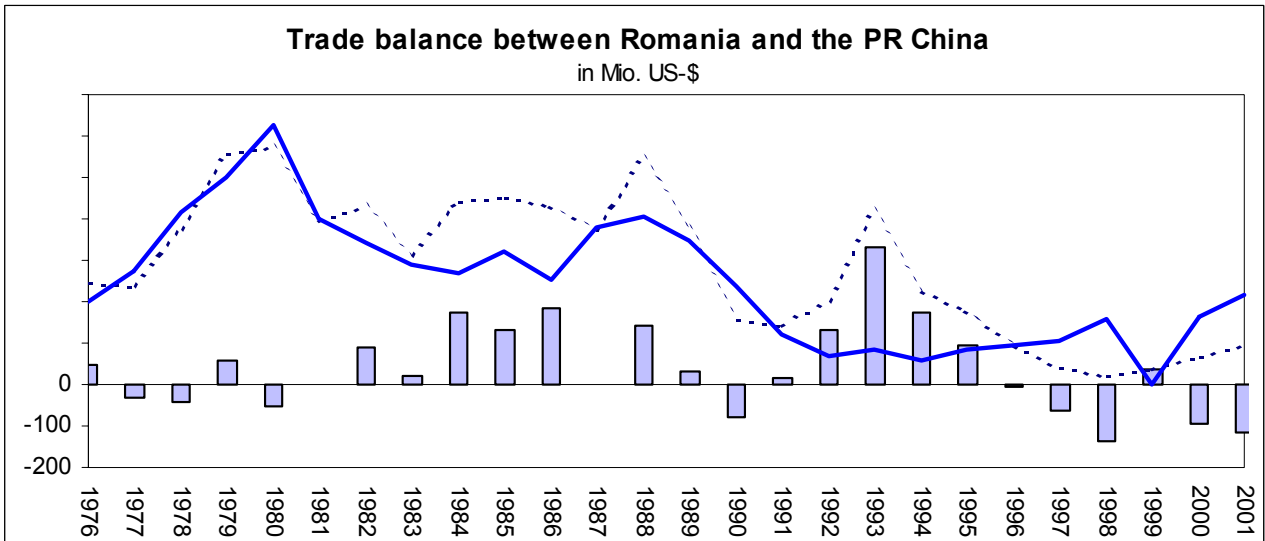
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**Chart 24: Indicators of trade relations between Poland and the PR China**



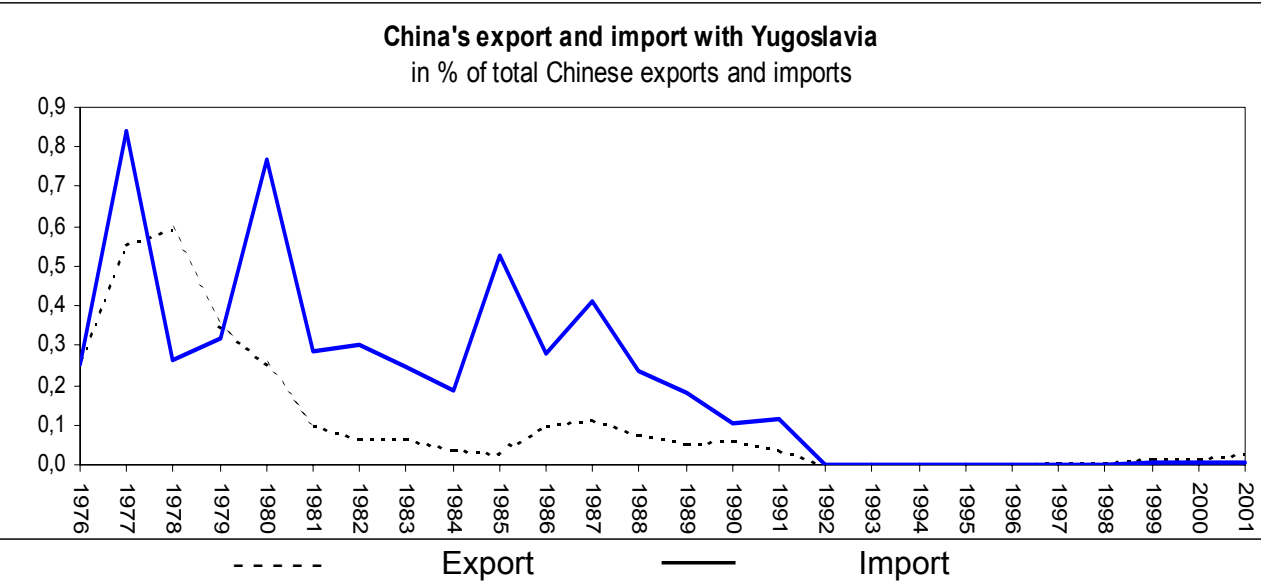
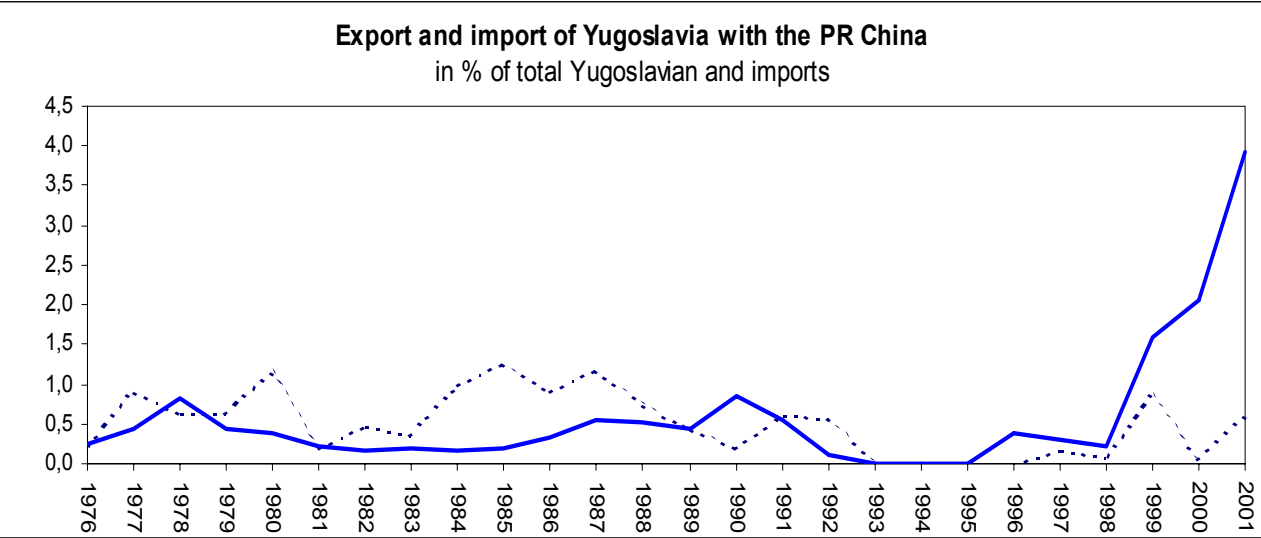
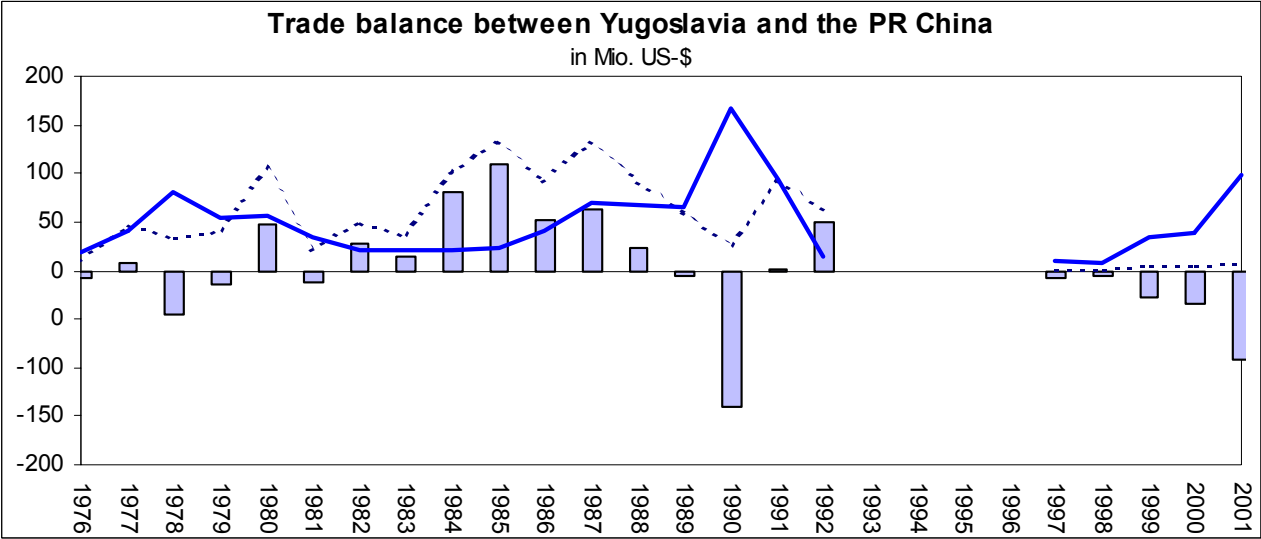
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**Chart 25: Indicators of trade relations between Romania and the PR China**



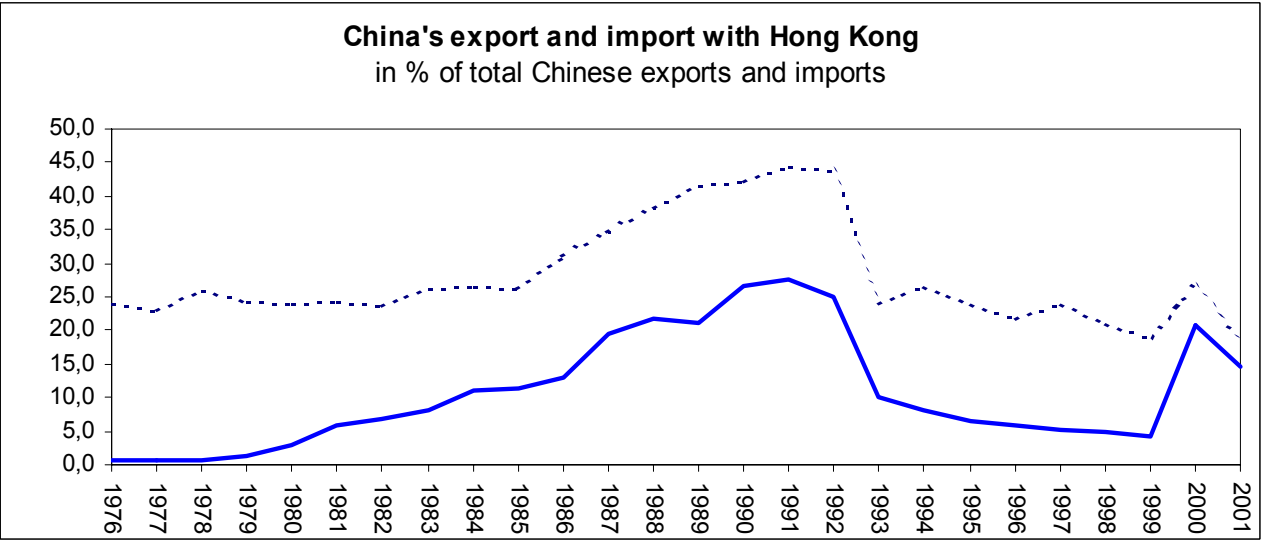
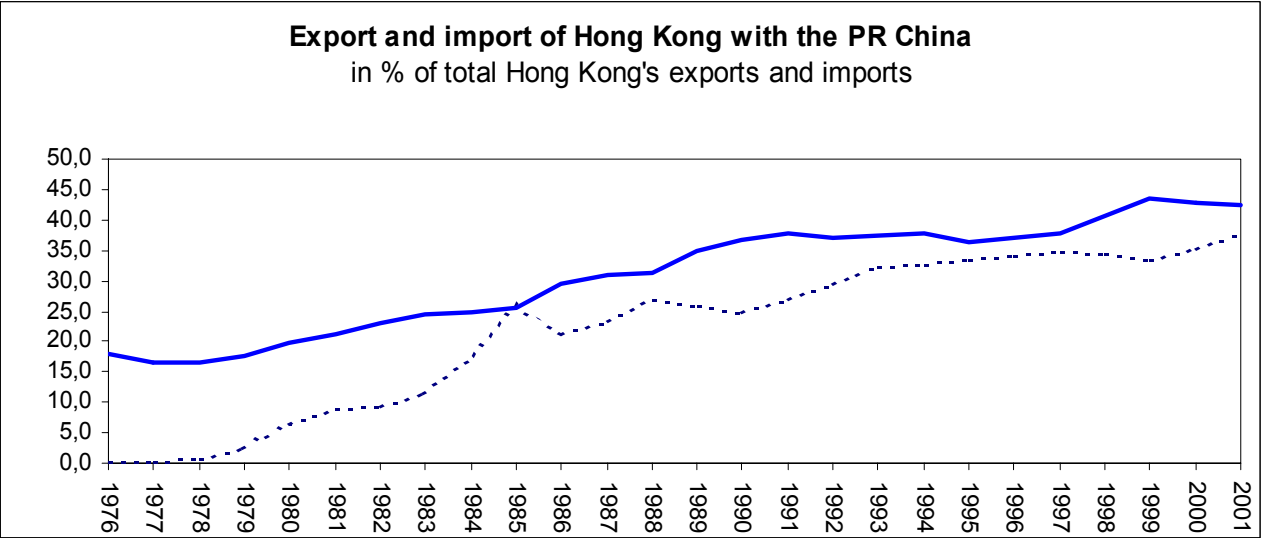
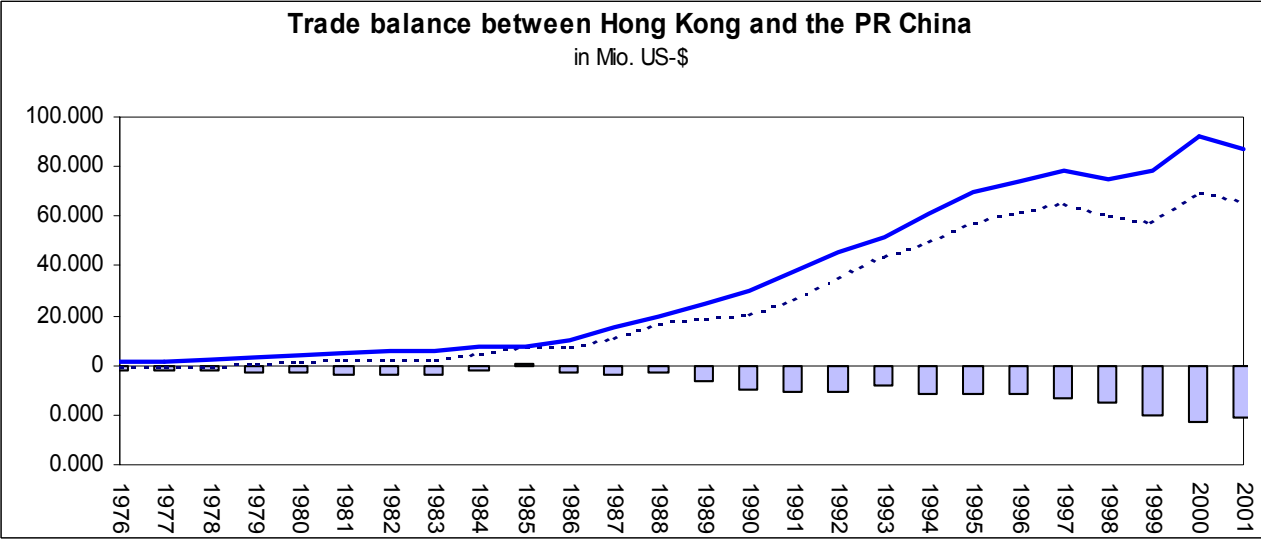
Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

**Chart 26: Indicators of trade relations between Yugoslavia and the PR China**



Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

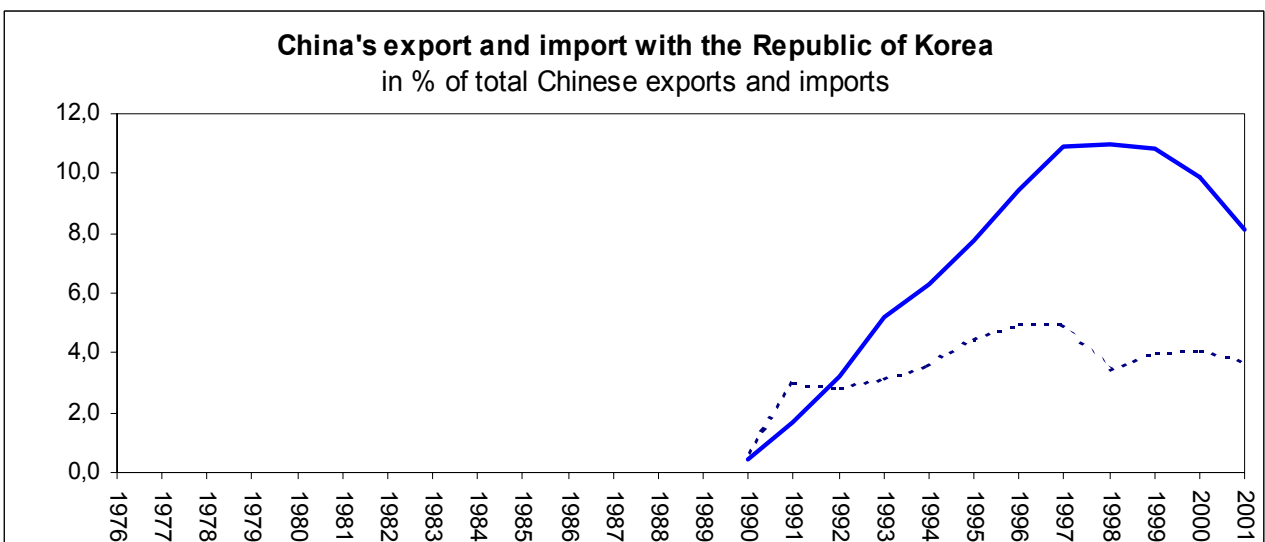
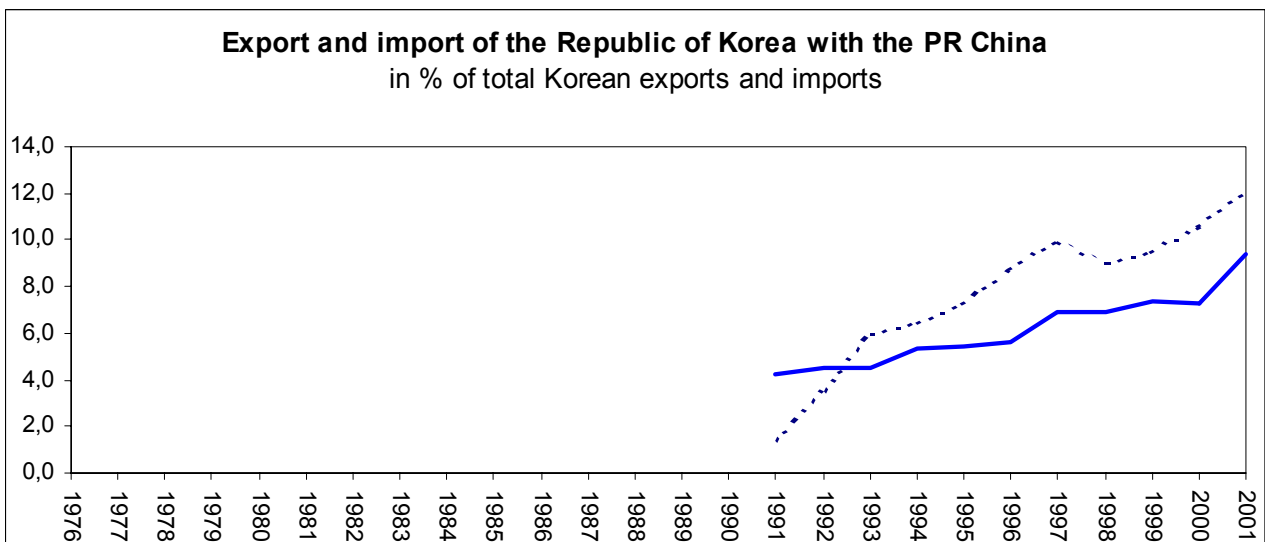
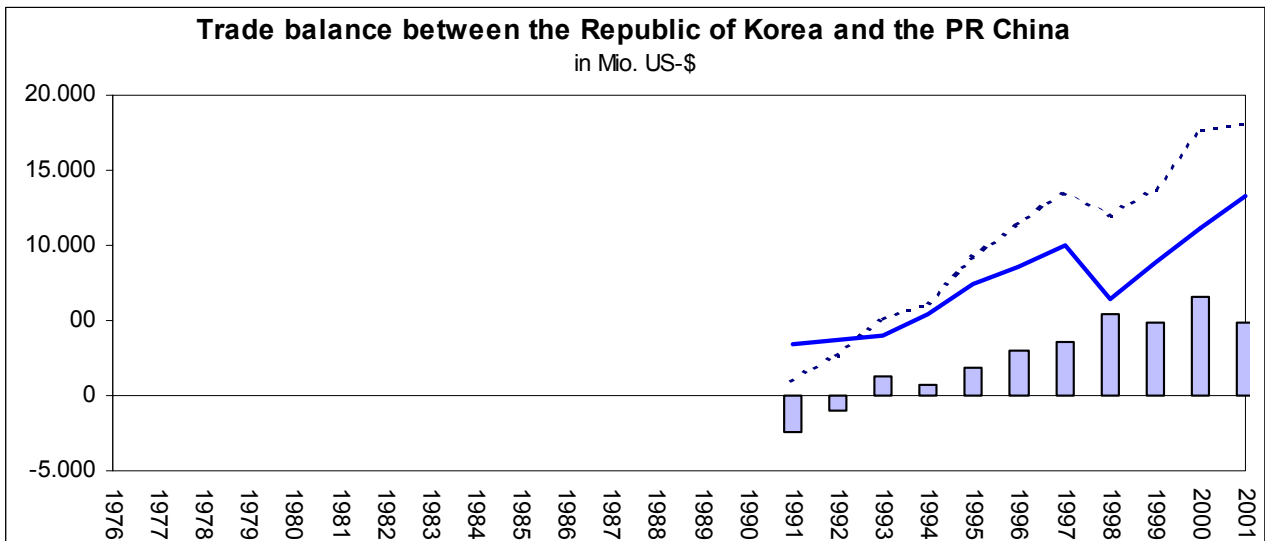
**Chart 27: Indicators of trade relations between Hong Kong and the PR China**



----- Export      ——— Import

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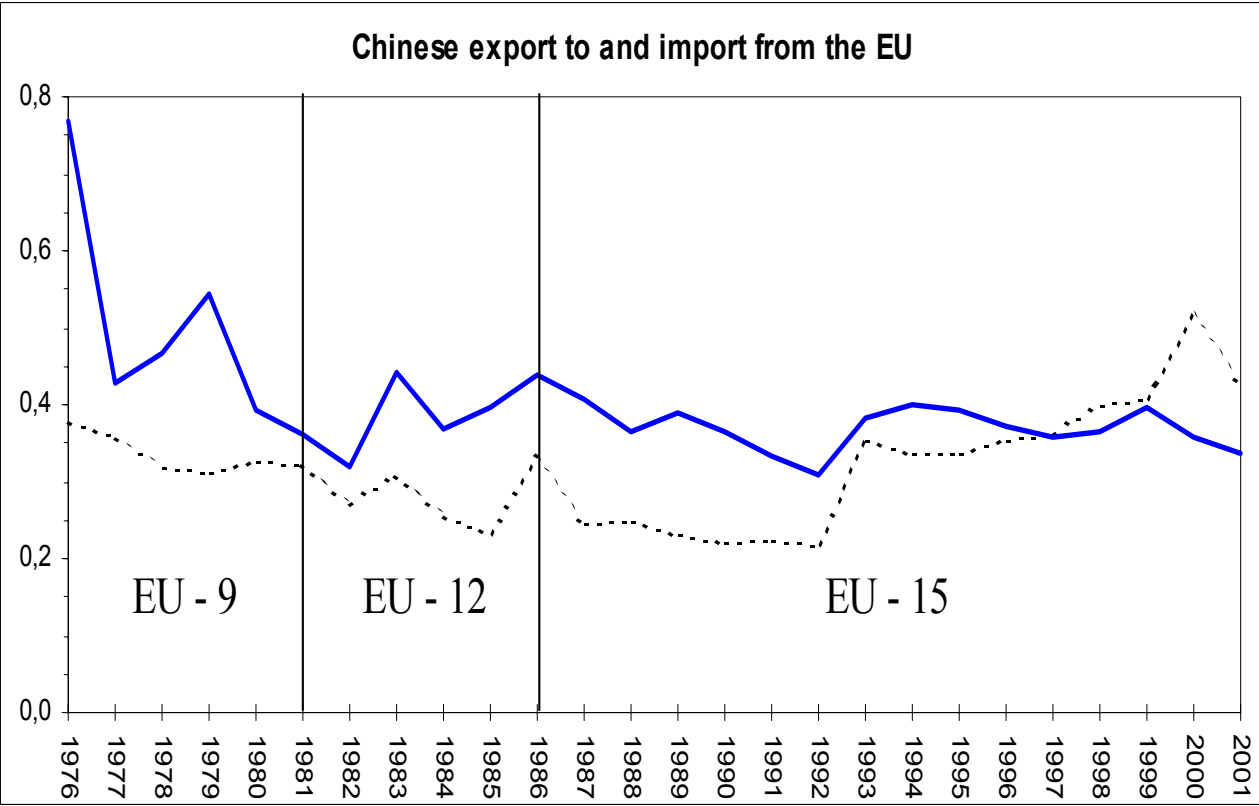
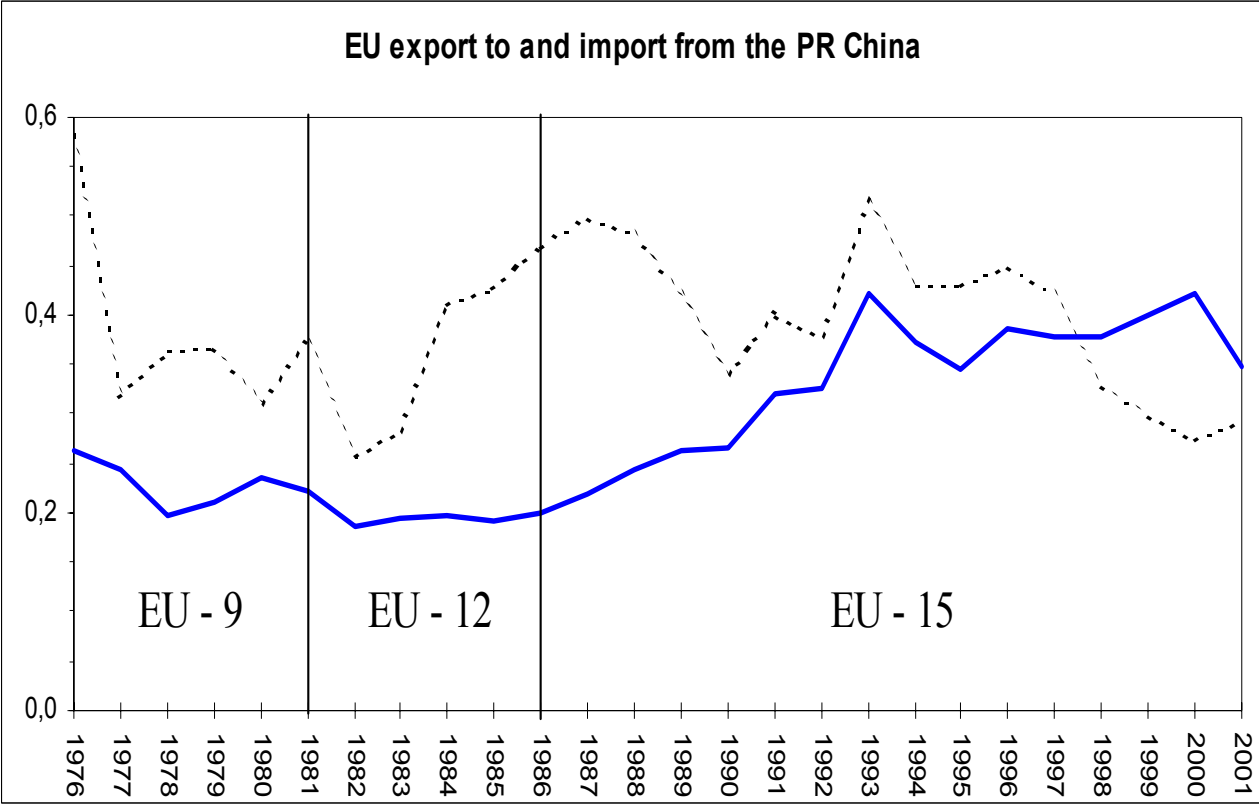
**Chart 28: Indicators of trade relations between the Republic of Korea and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

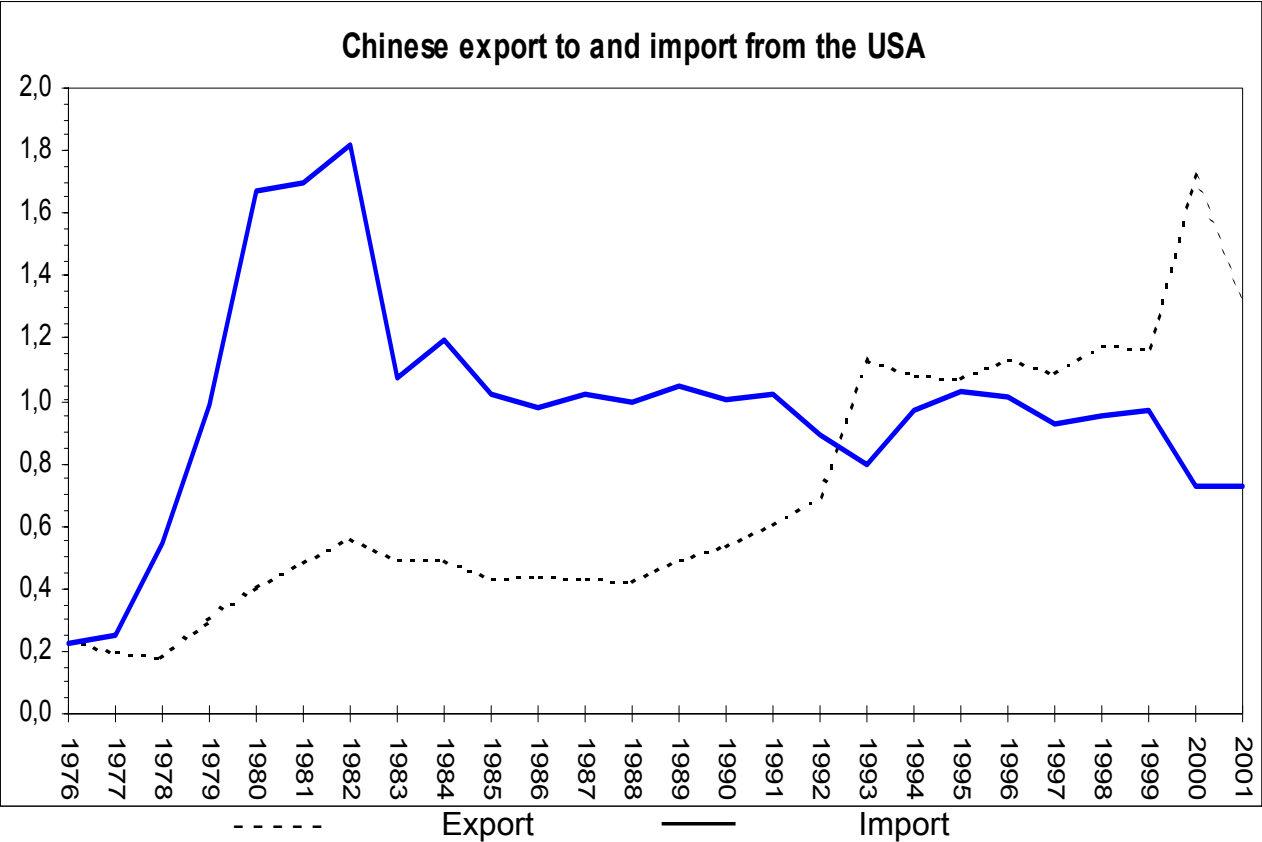
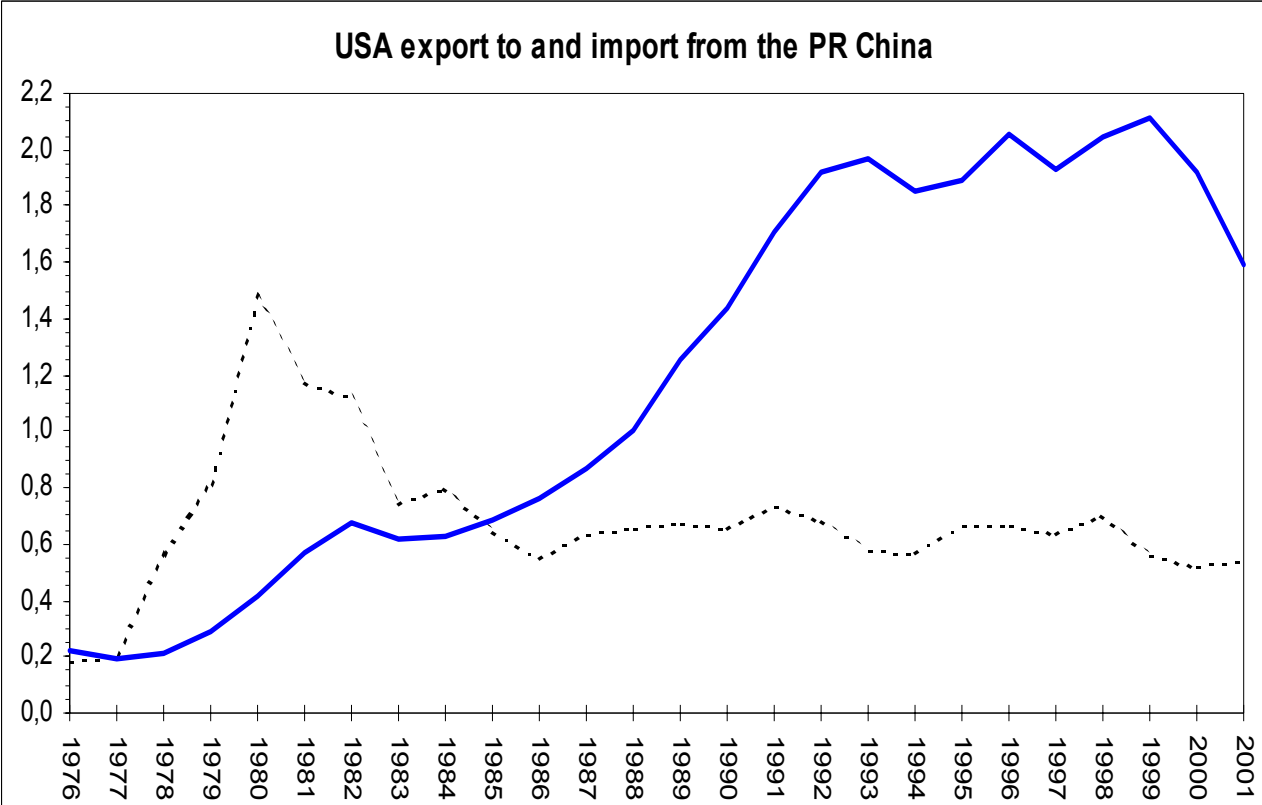
**Chart 29: Intensity of Trade between the EU and the PR China**



----- Export      ——— Import

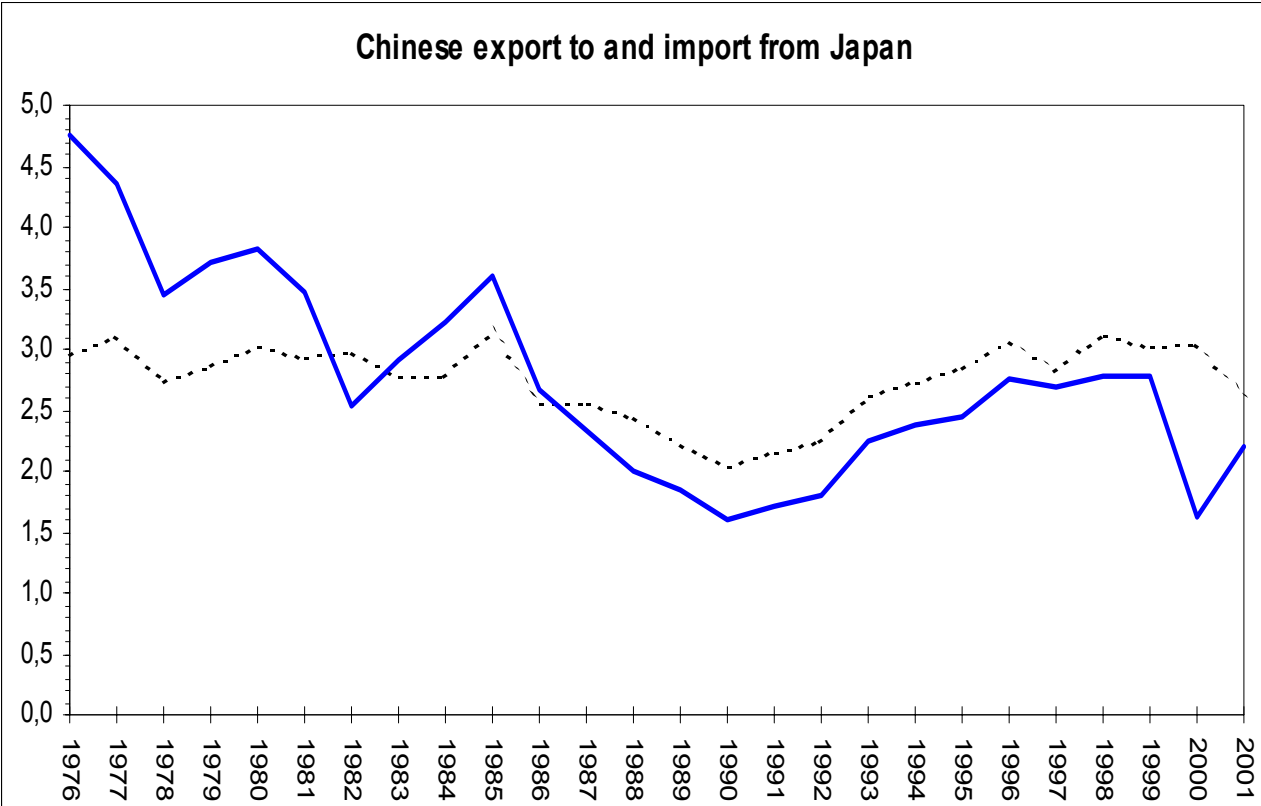
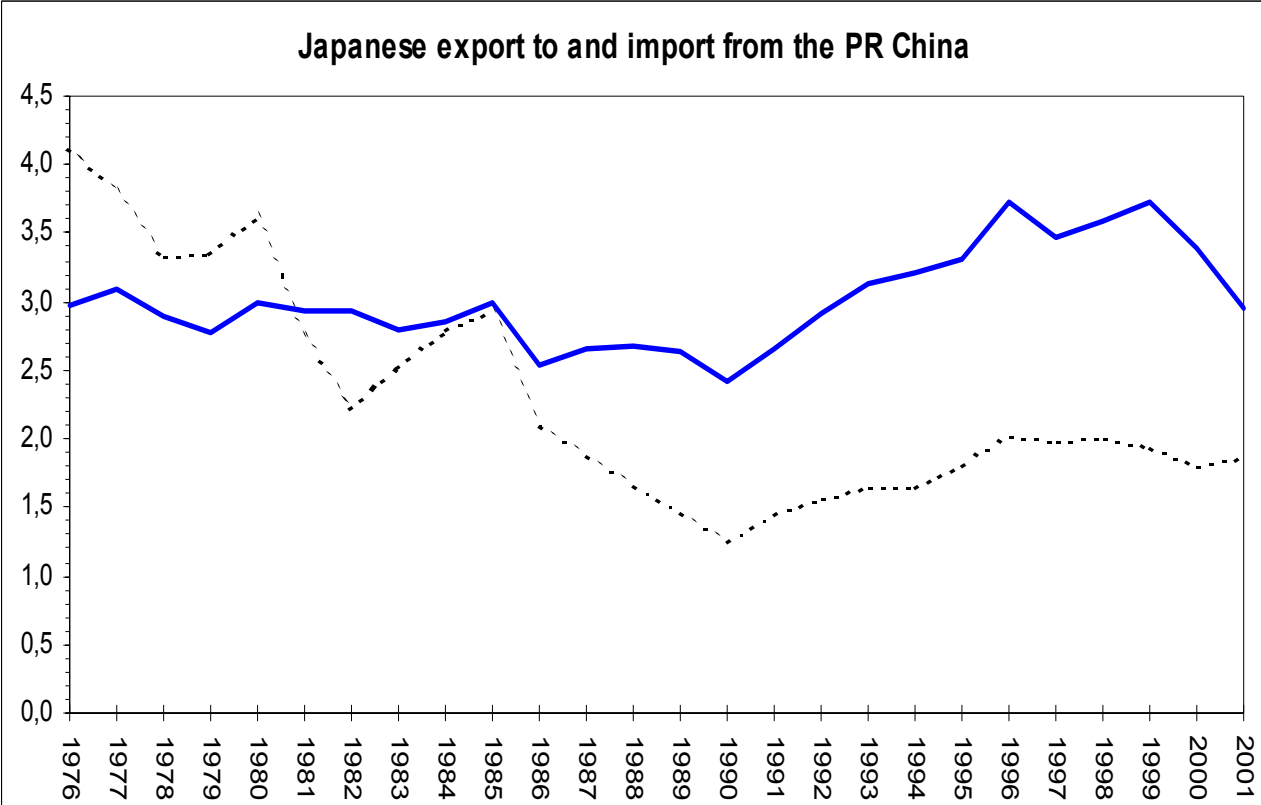
Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

**Chart 30: Intensity of Trade between the USA and the PR China**



Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

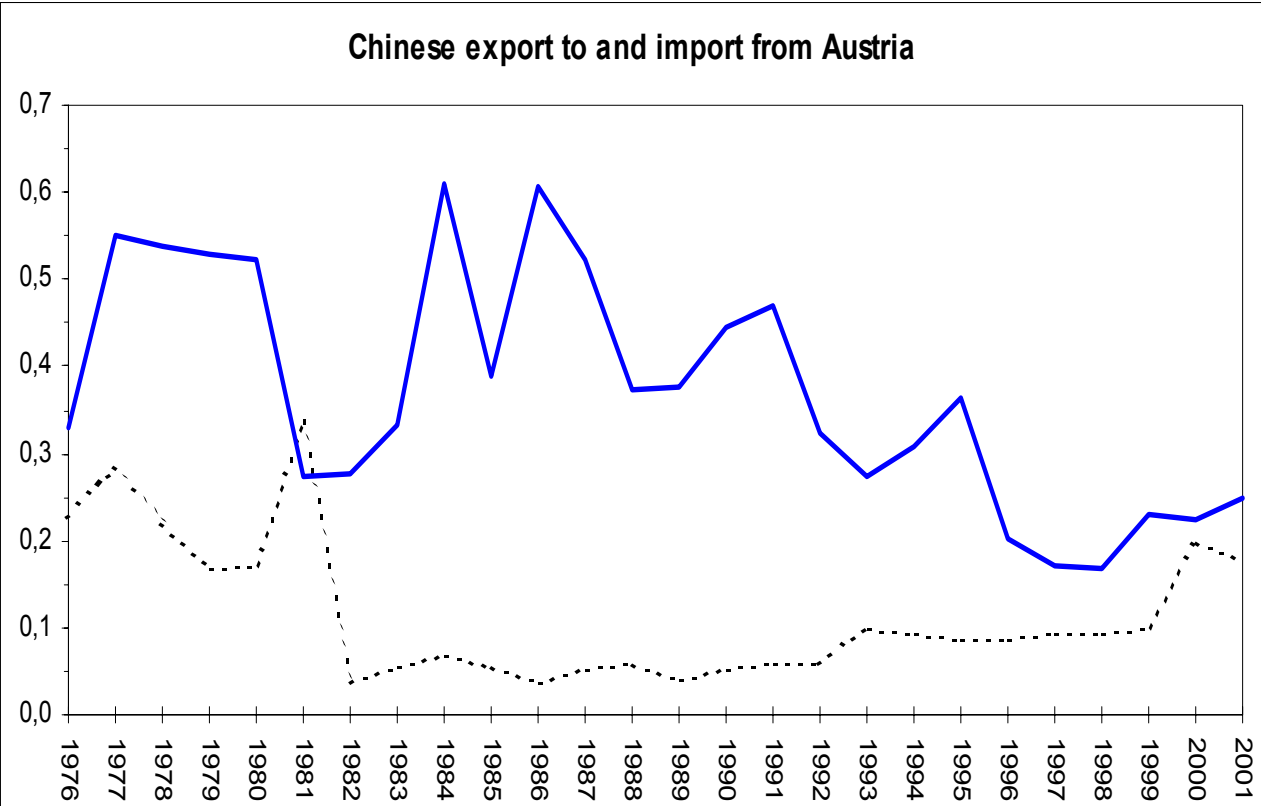
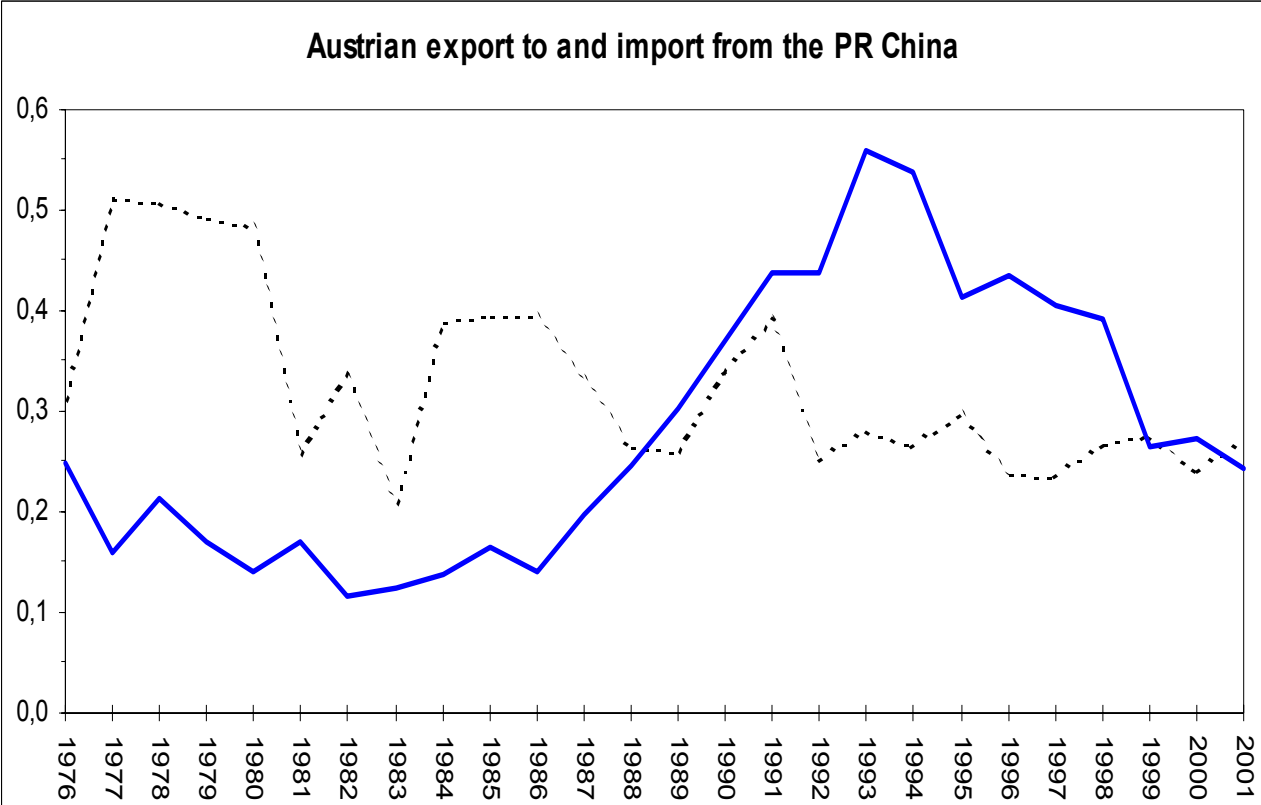
**Chart 31: Intensity of Trade between Japan and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

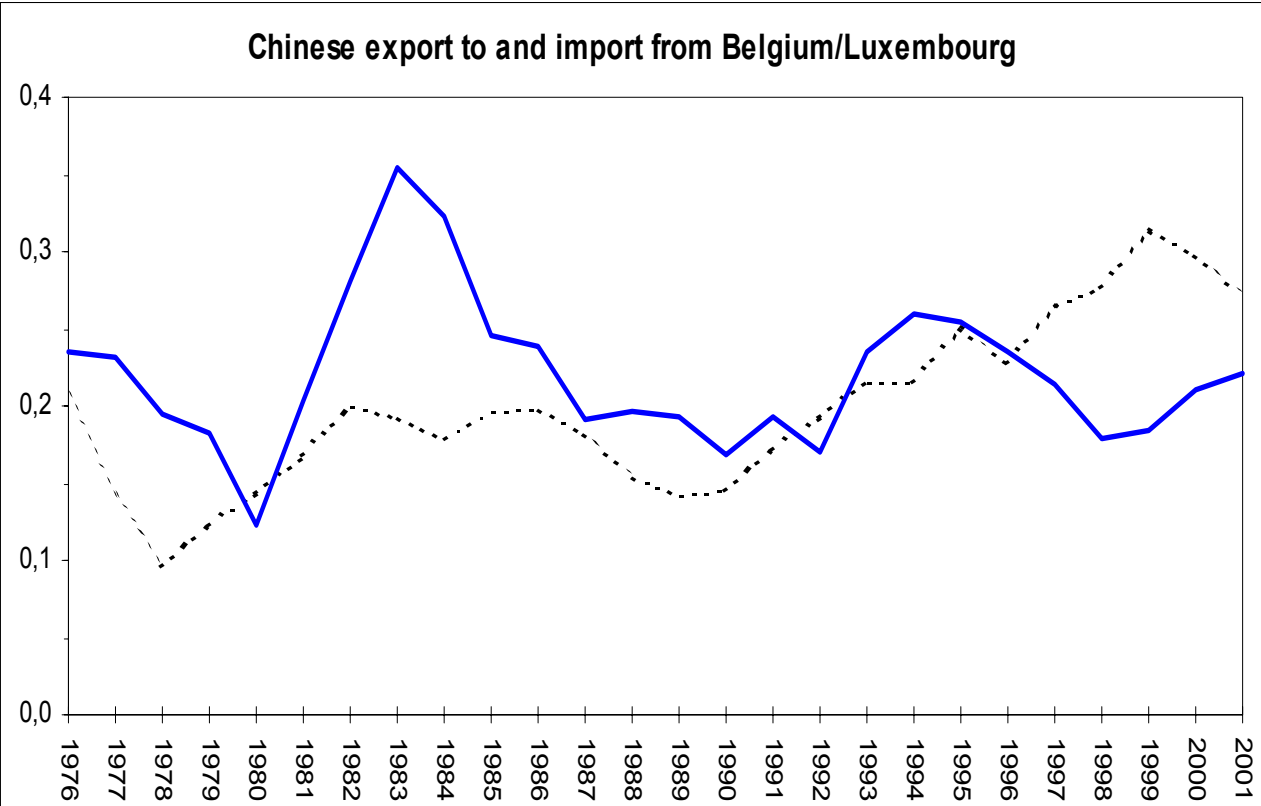
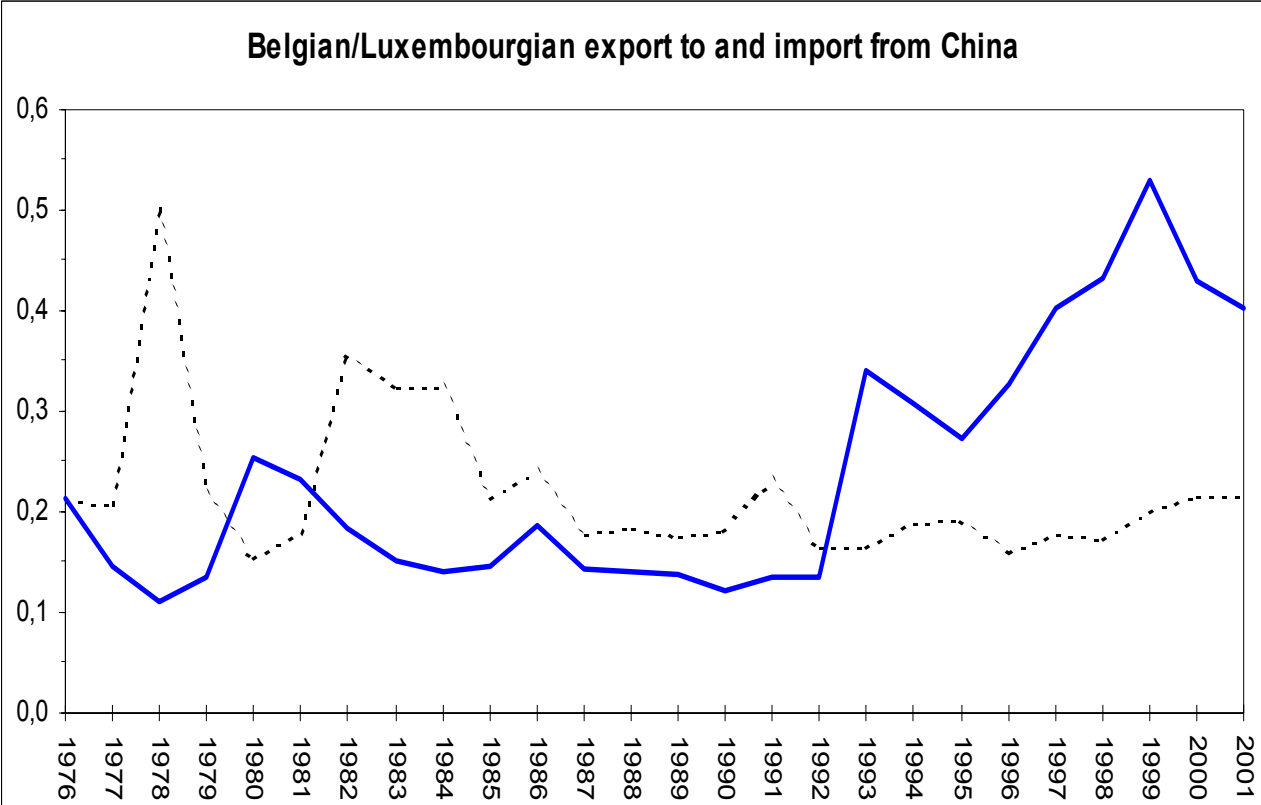
**Chart 32: Intensity of Trade between Austria and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

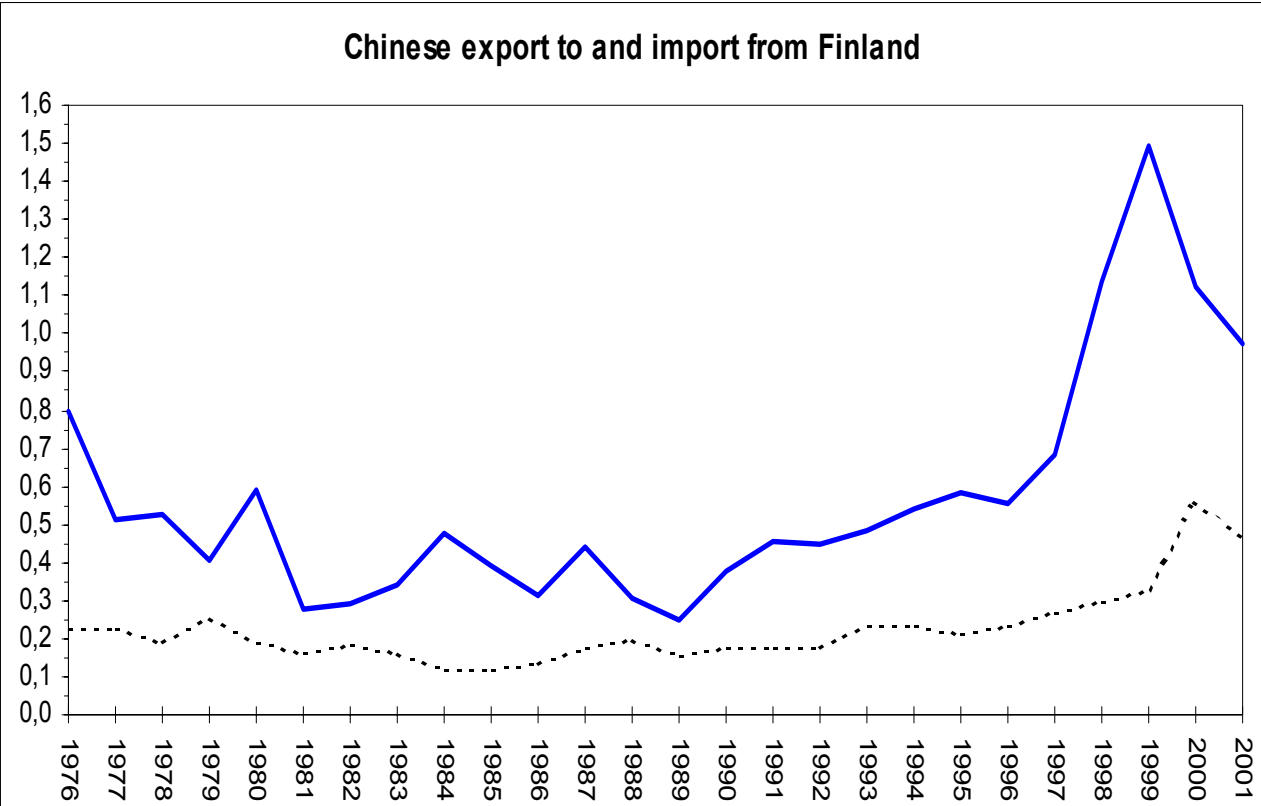
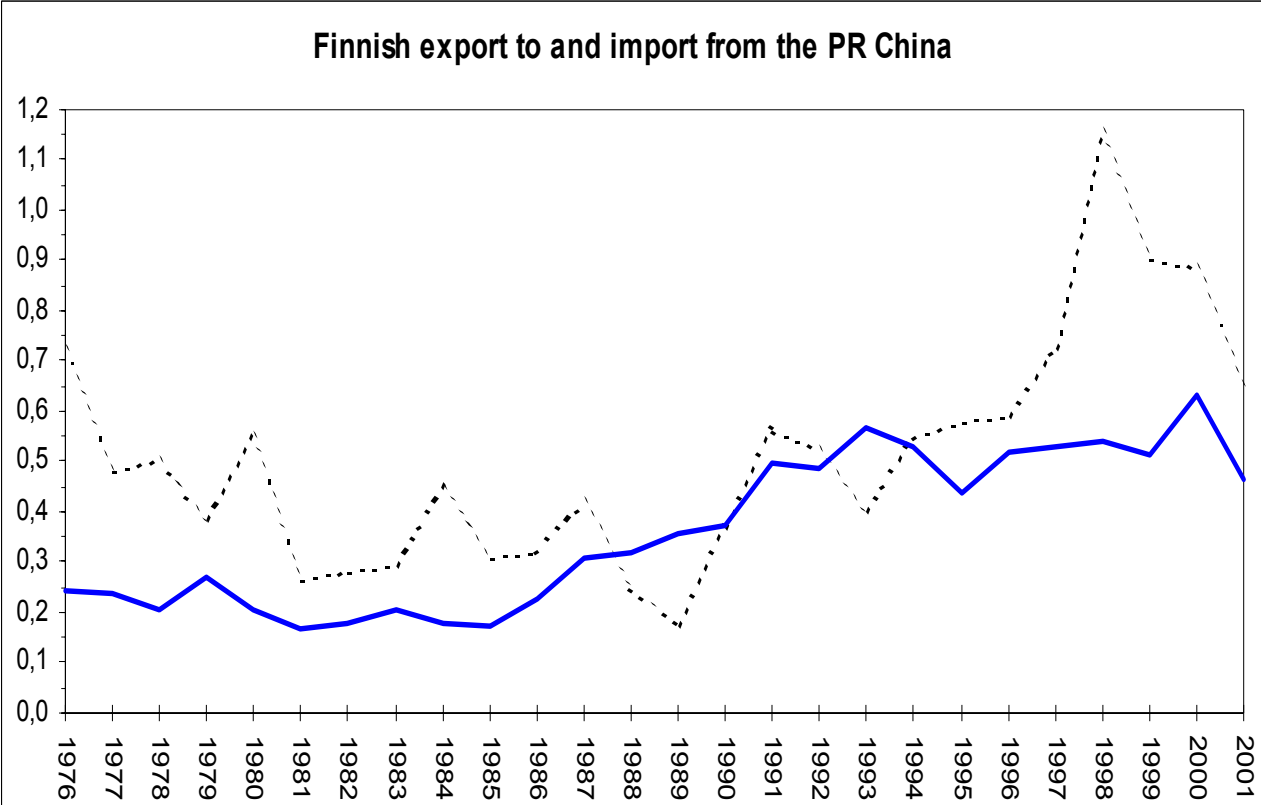
**Chart 33: Intensity of Trade between Belgium/Luxembourg and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

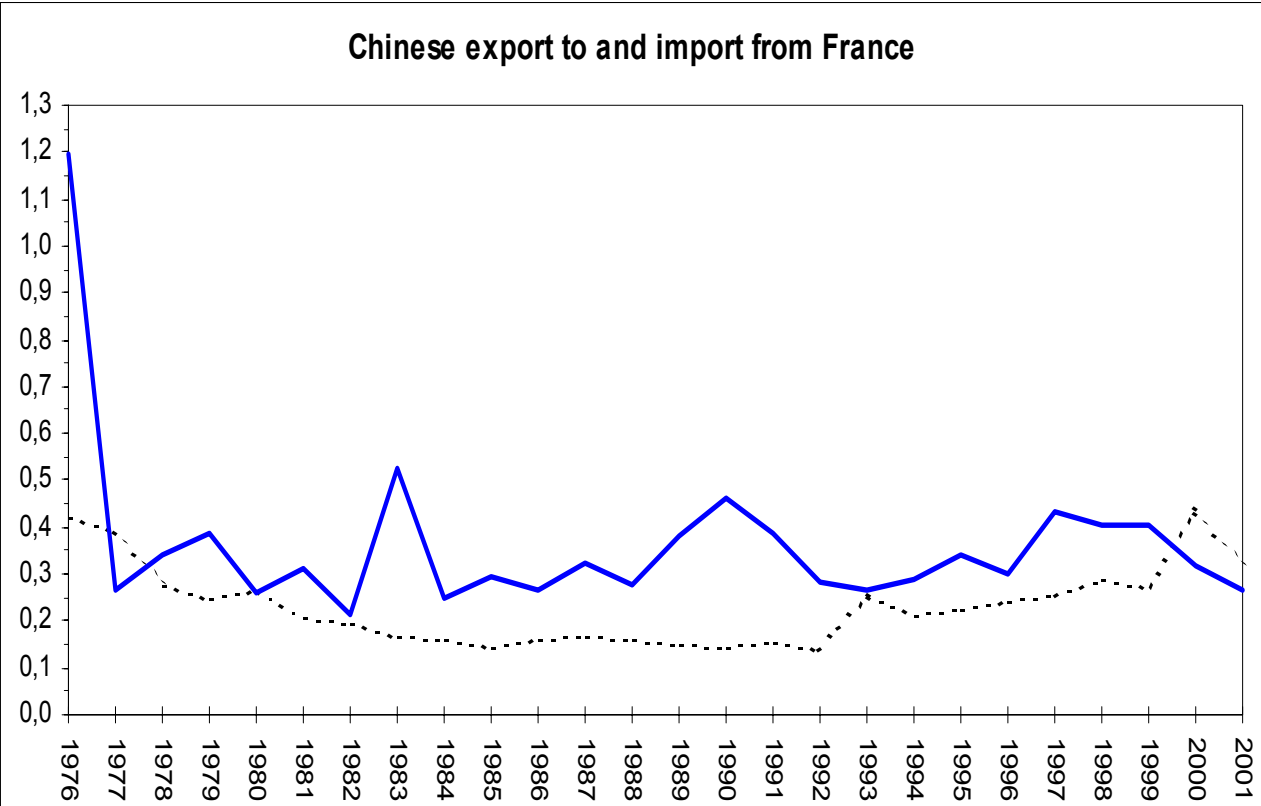
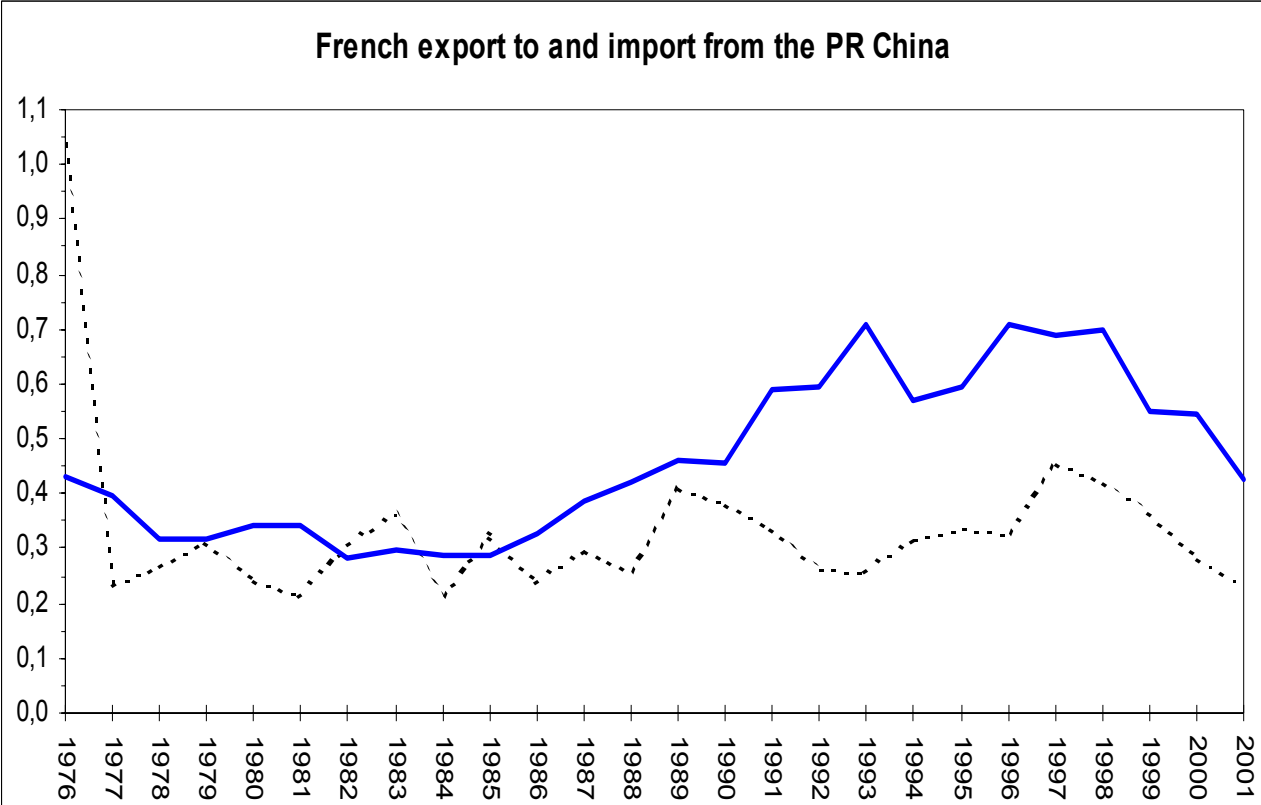
**Chart 34: Intensity of Trade between Finland and the PR China**



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Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

**Chart 35: Intensity of Trade between France and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

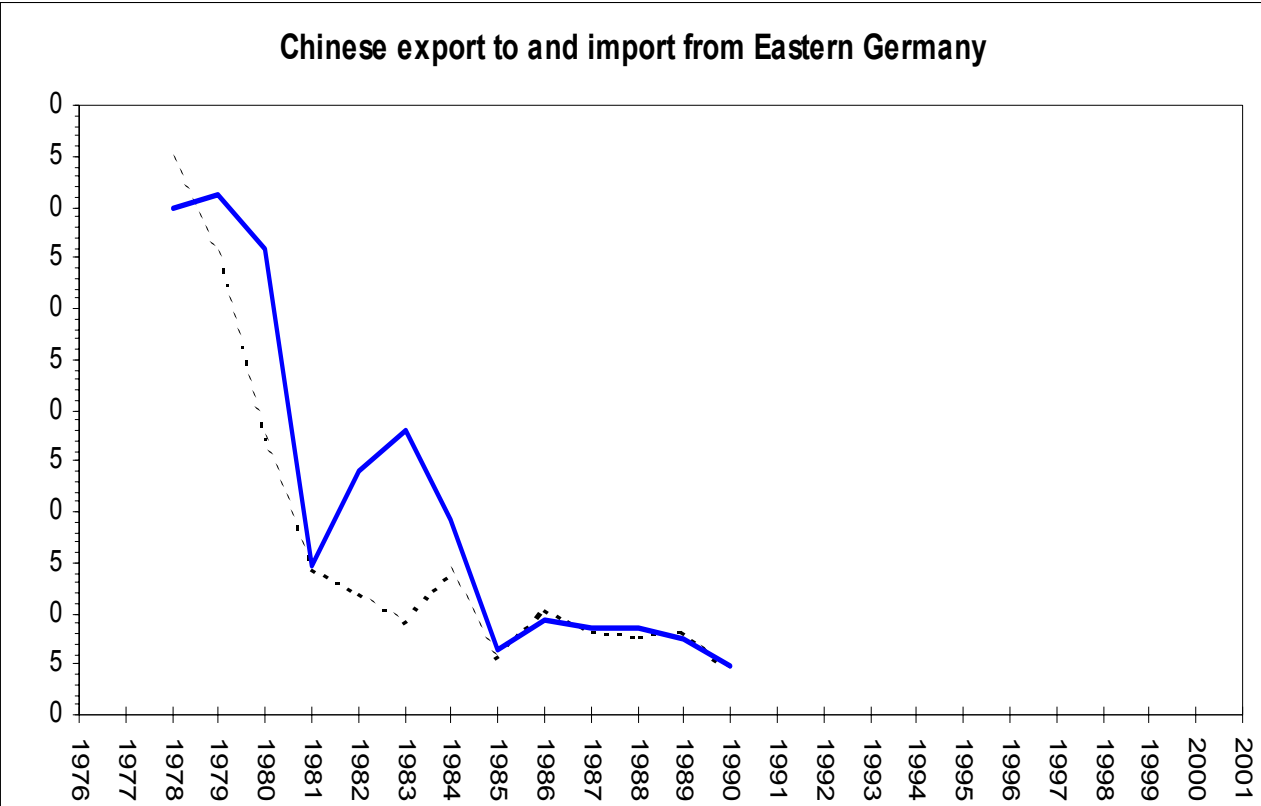
**Chart 36: Intensity of Trade between Germany and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

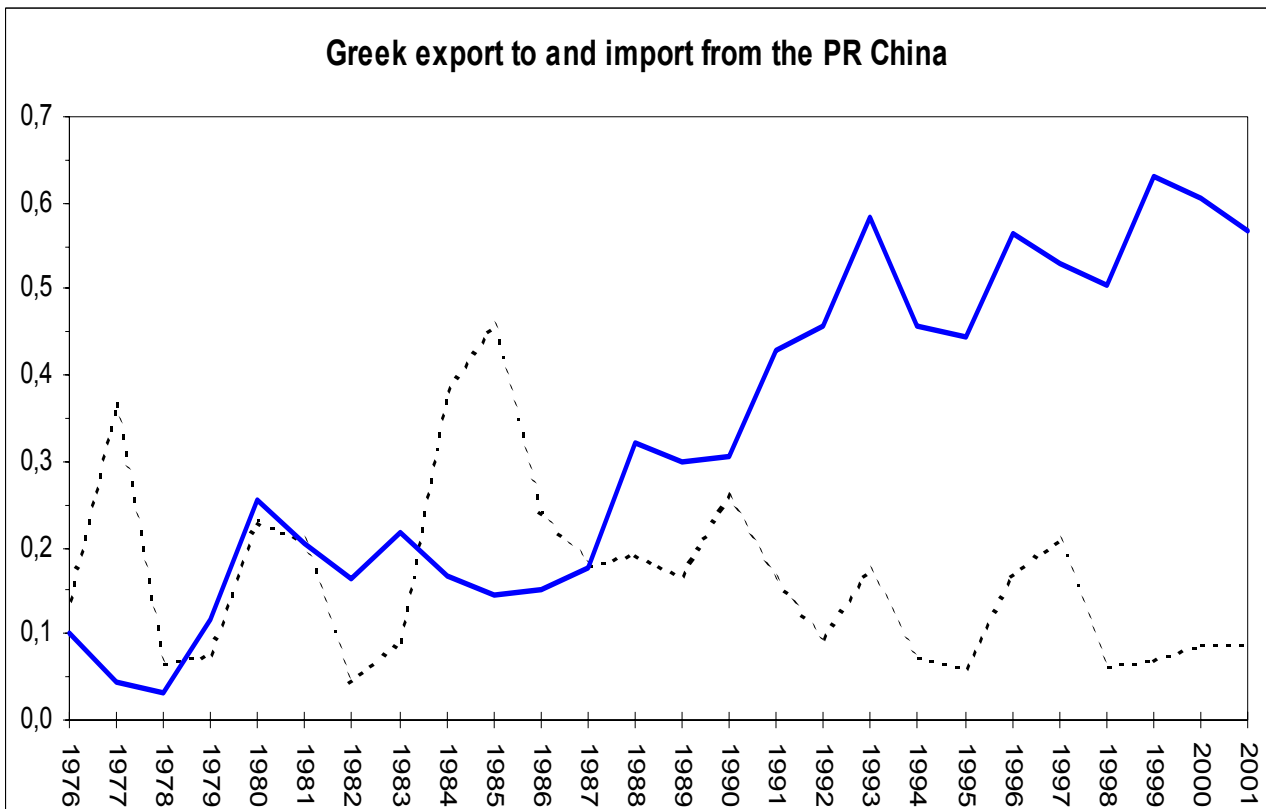
**Chart 37: Intensity of Trade between Eastern Germany and the PR China**



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Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

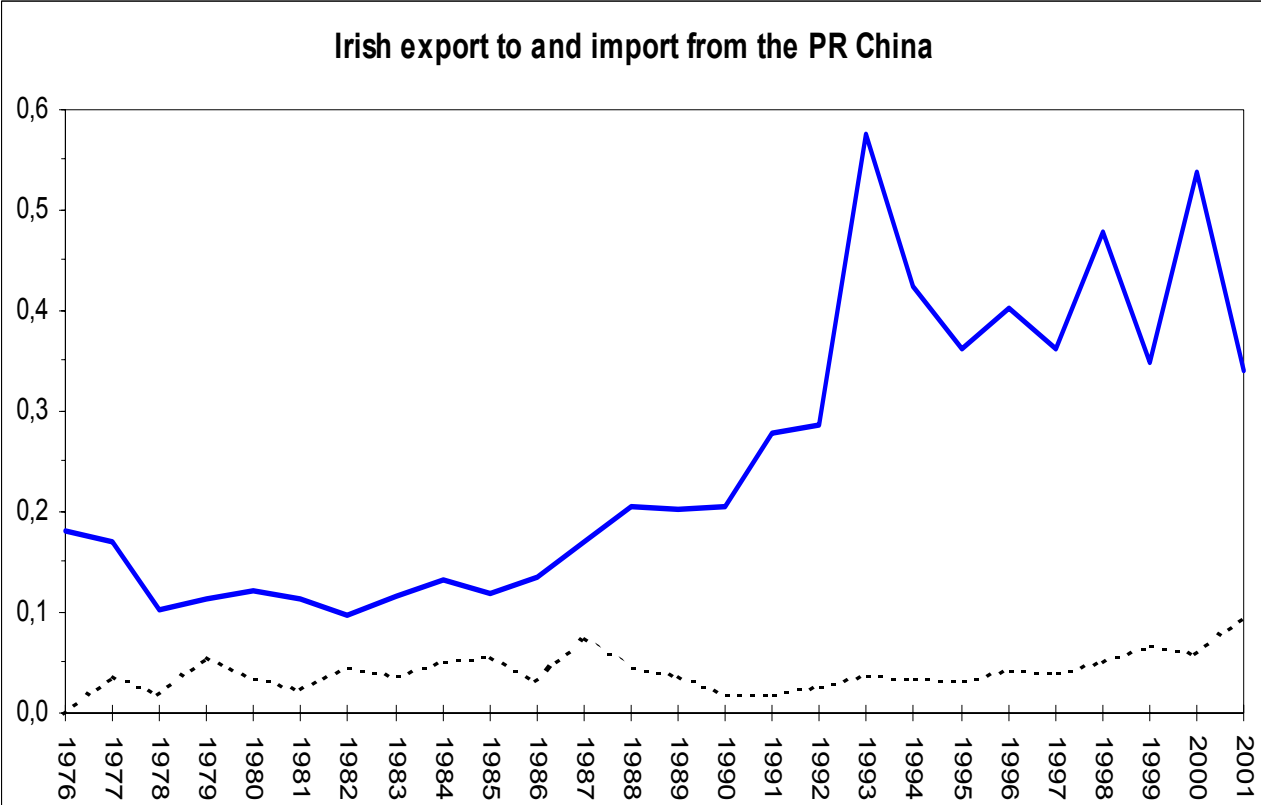
**Chart 38: Intensity of Trade between Greece and the PR China**



----- Export      ——— Import

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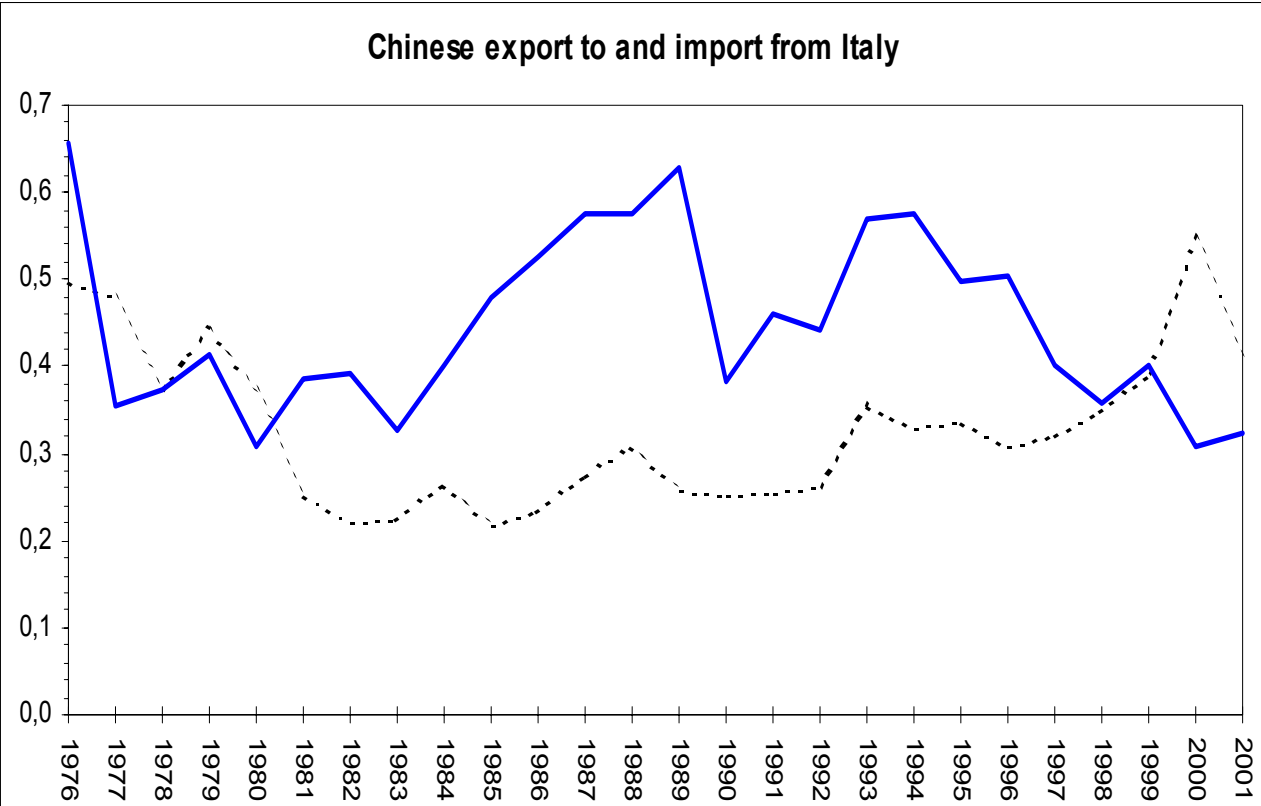
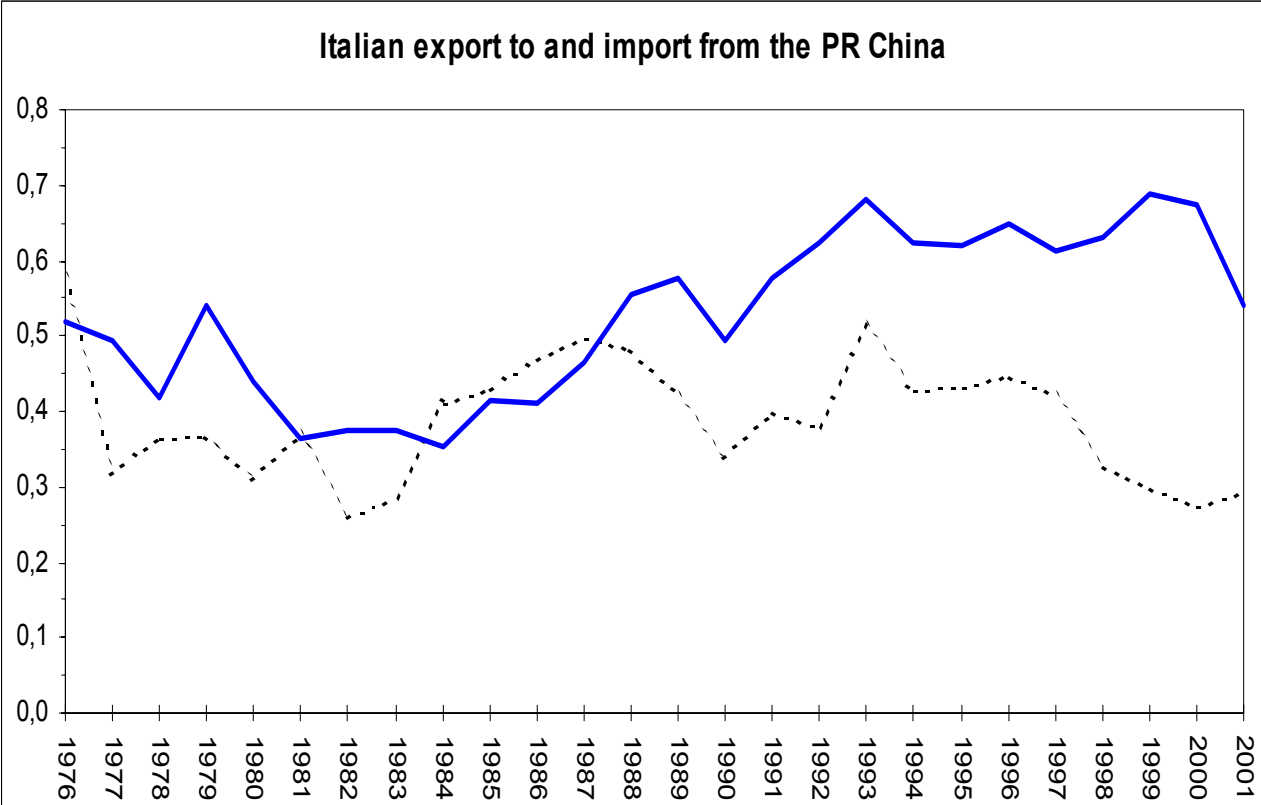
**Chart 39: Intensity of Trade between Ireland and the PR China**



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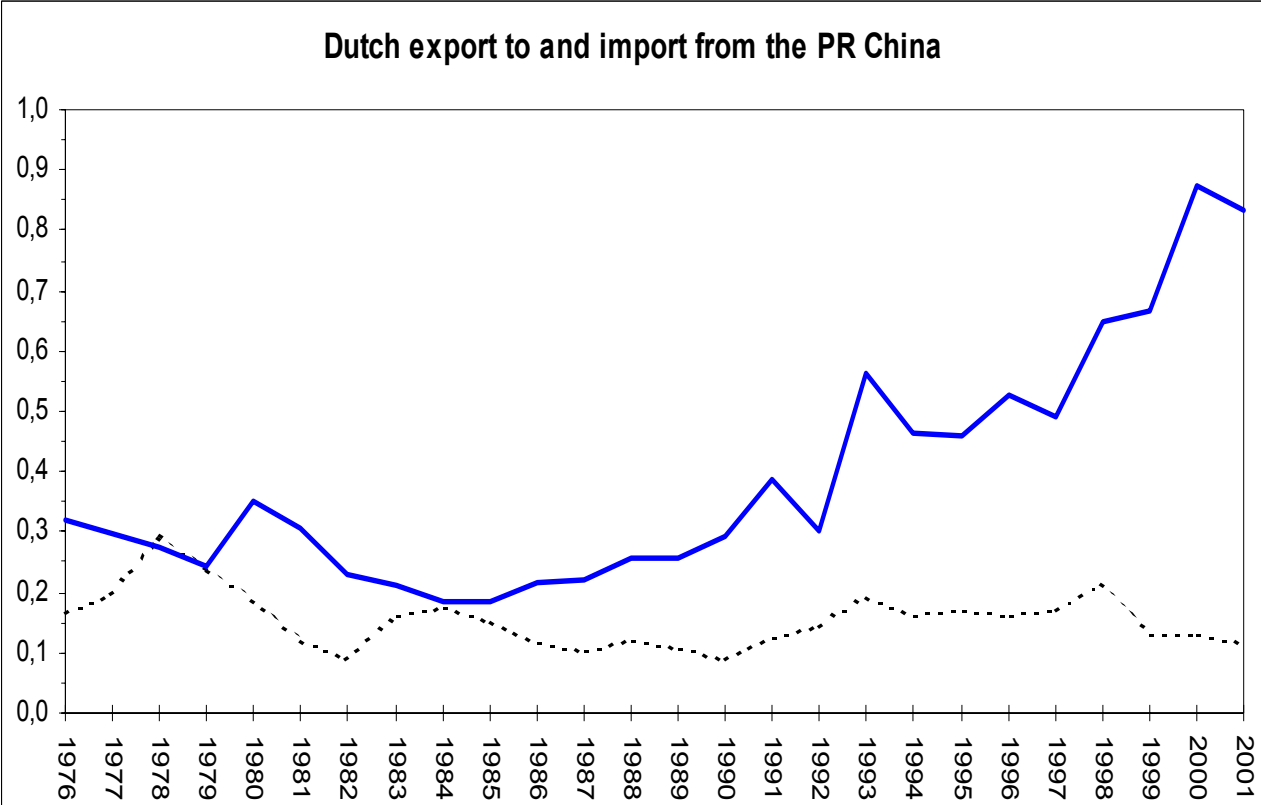
**Chart 40: Intensity of Trade between Italy and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

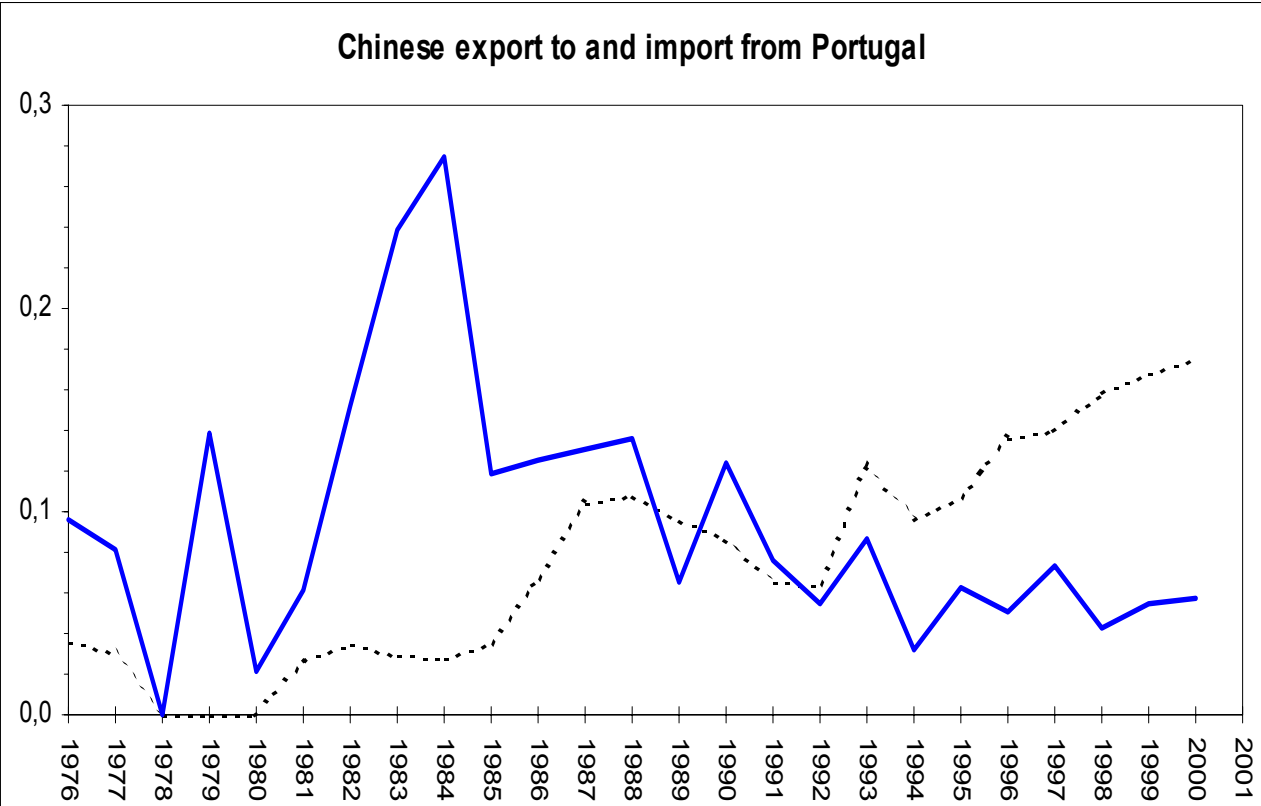
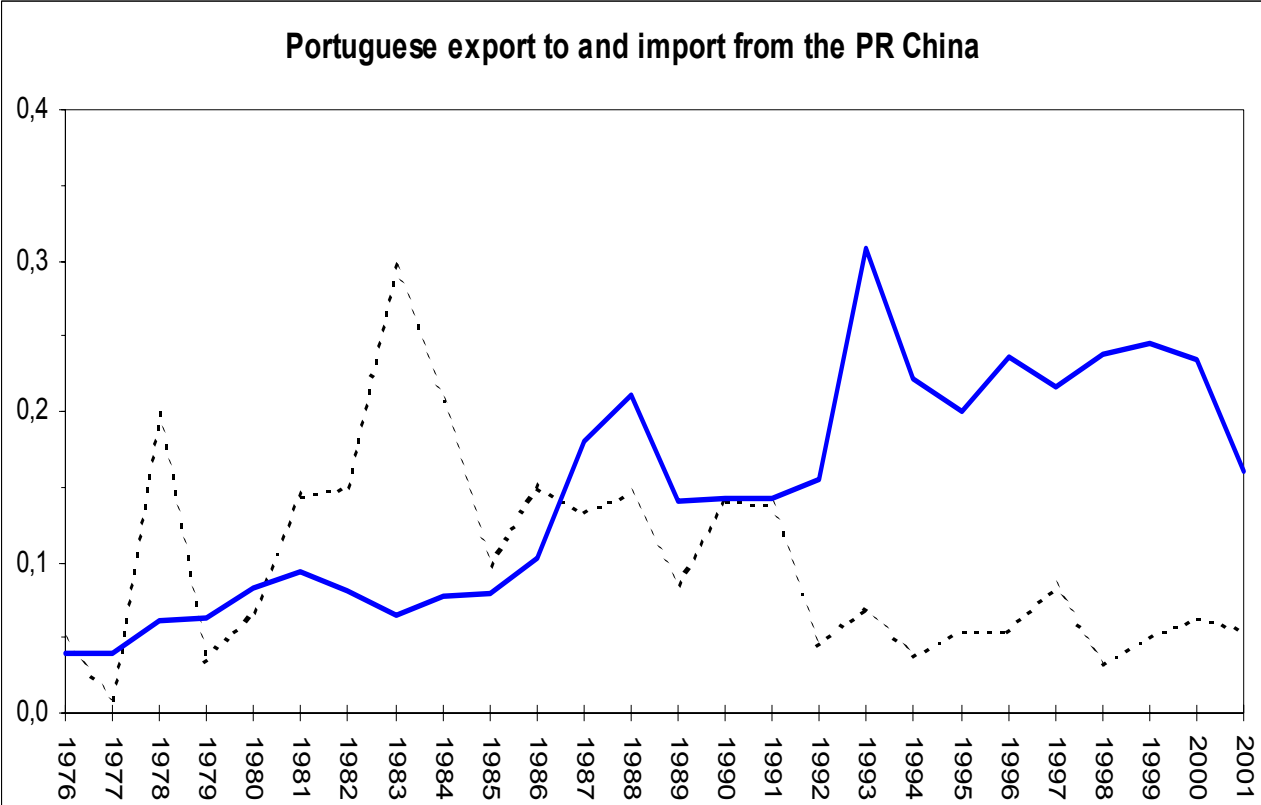
**Chart 41: Intensity of Trade between the Netherlands and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

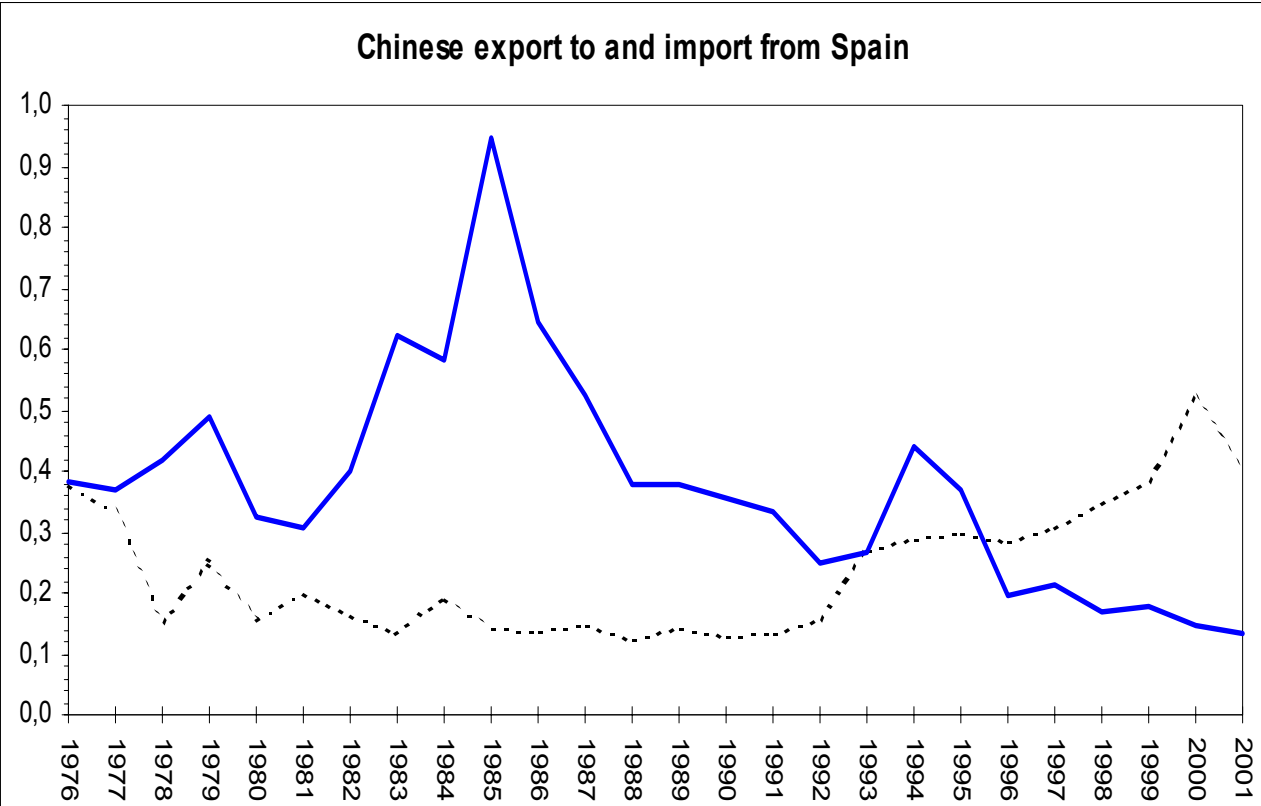
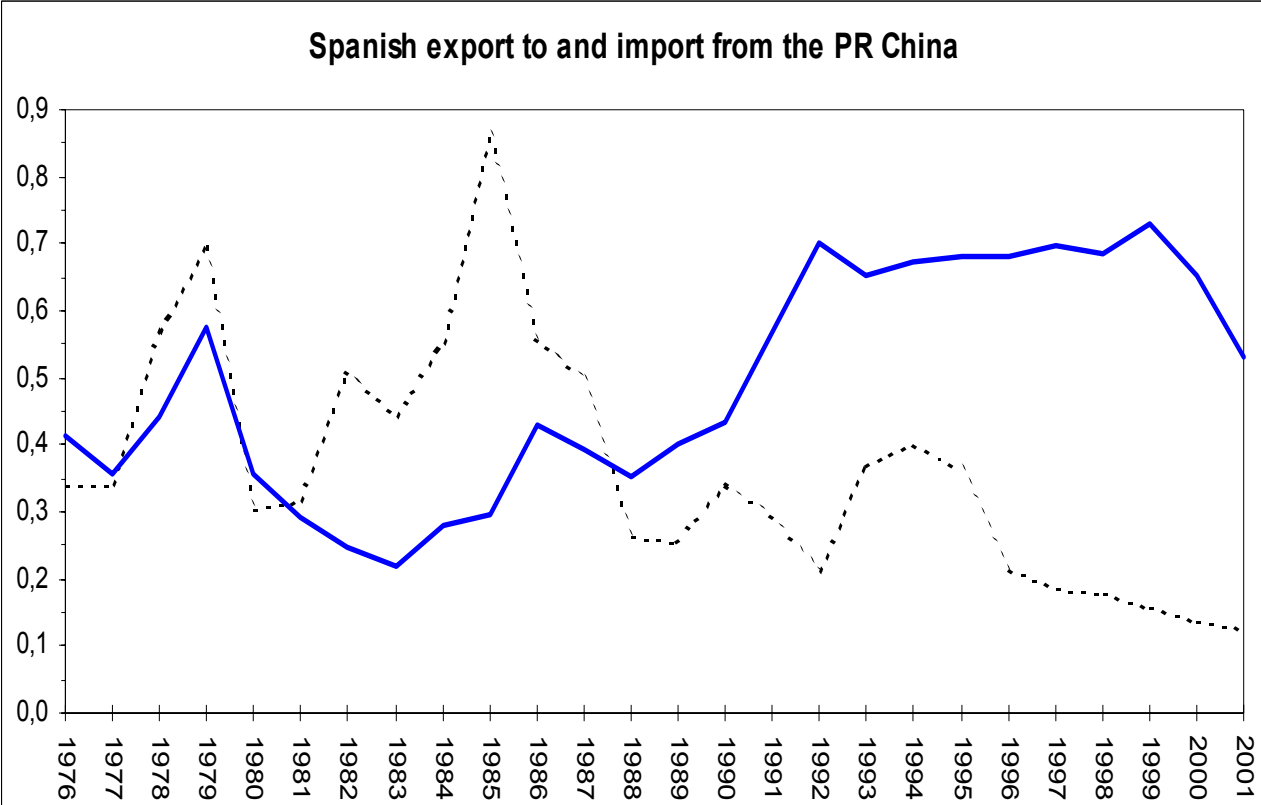
**Chart 42: Intensity of Trade between Portugal and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

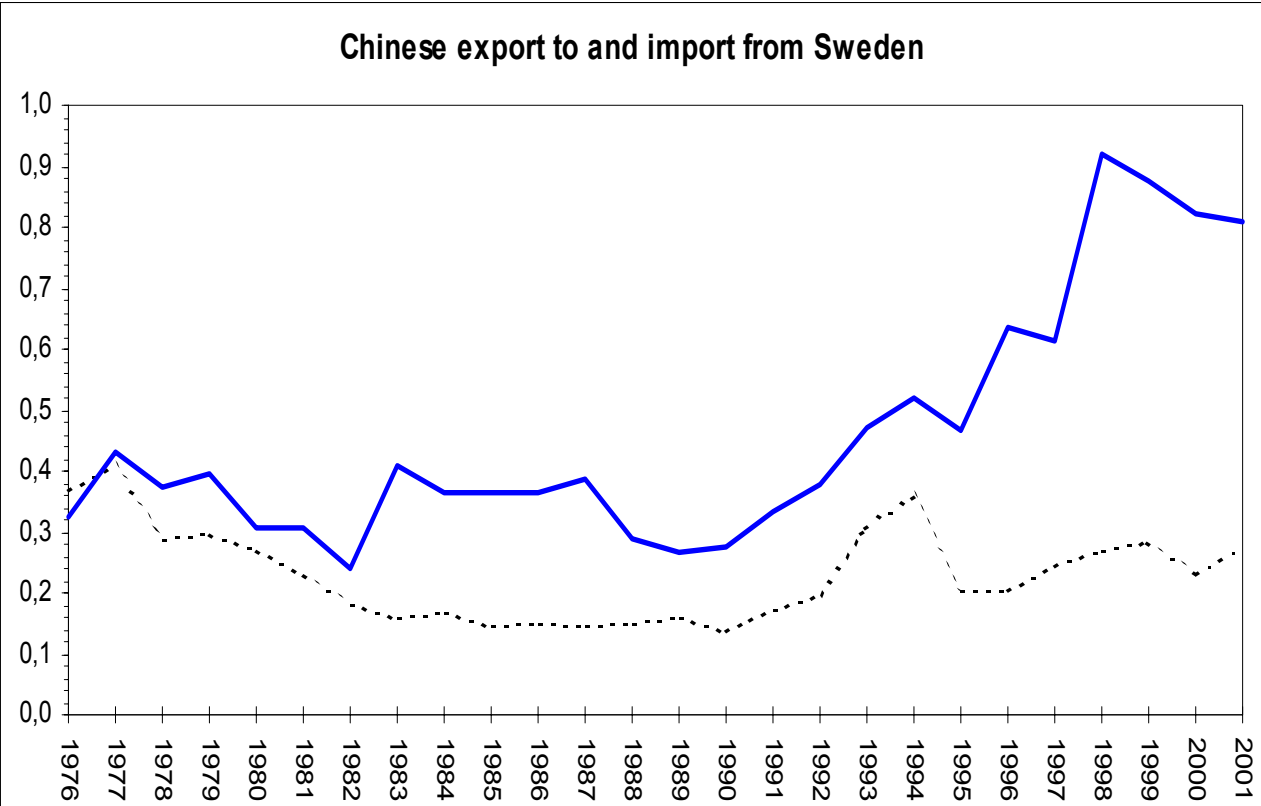
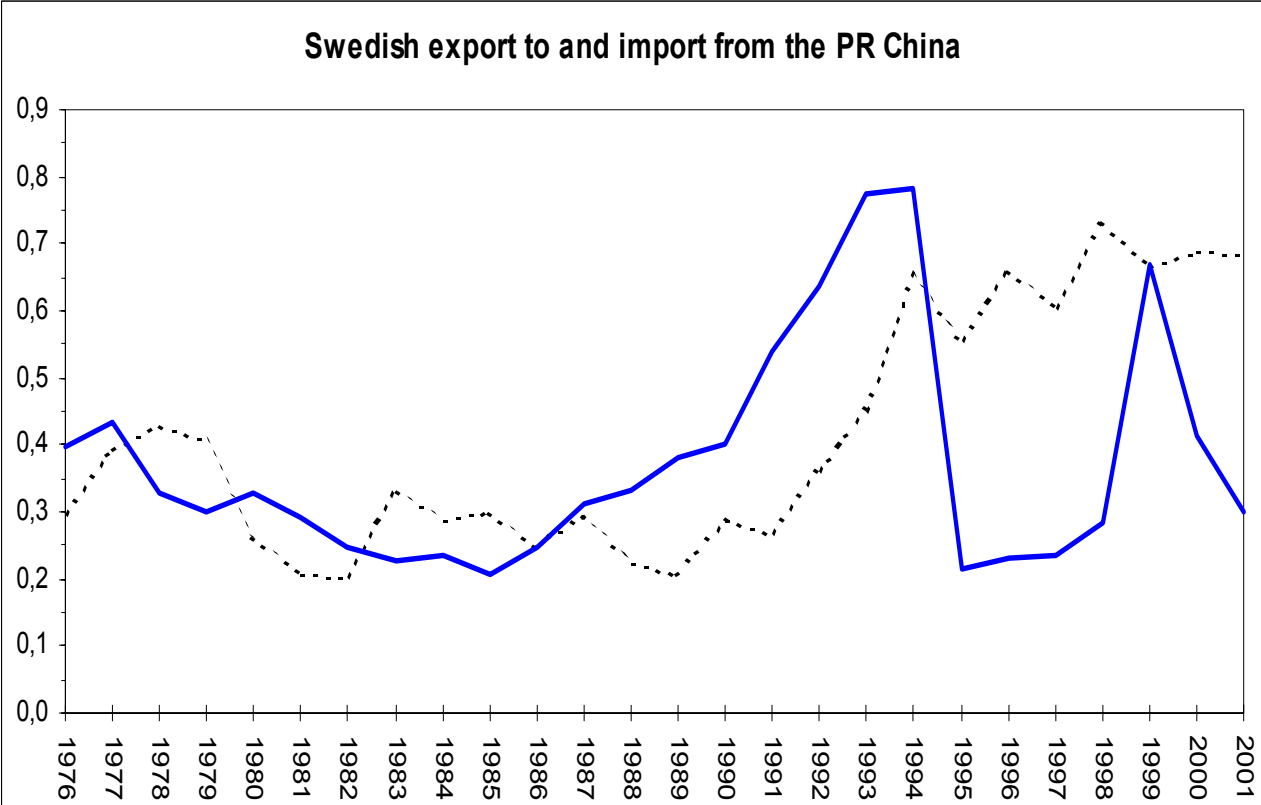
**Chart 43: Intensity of Trade between Spain and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

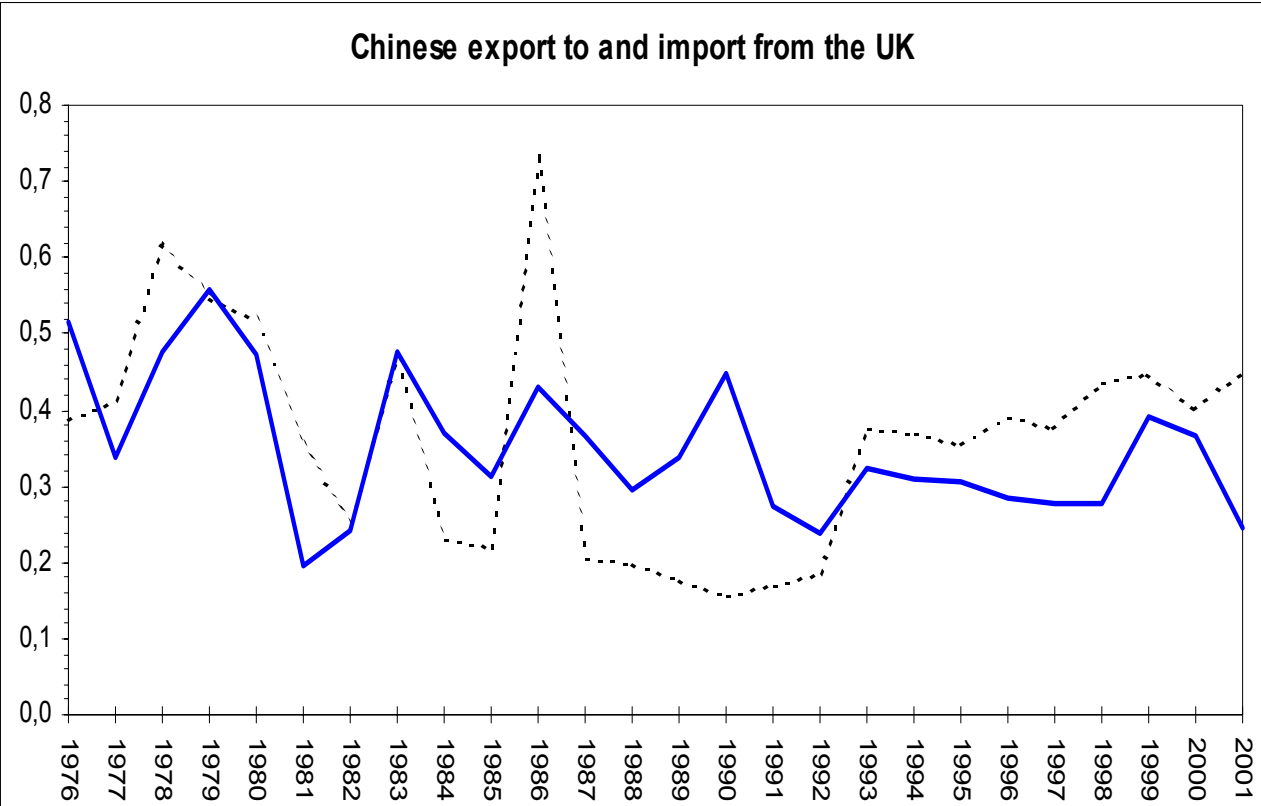
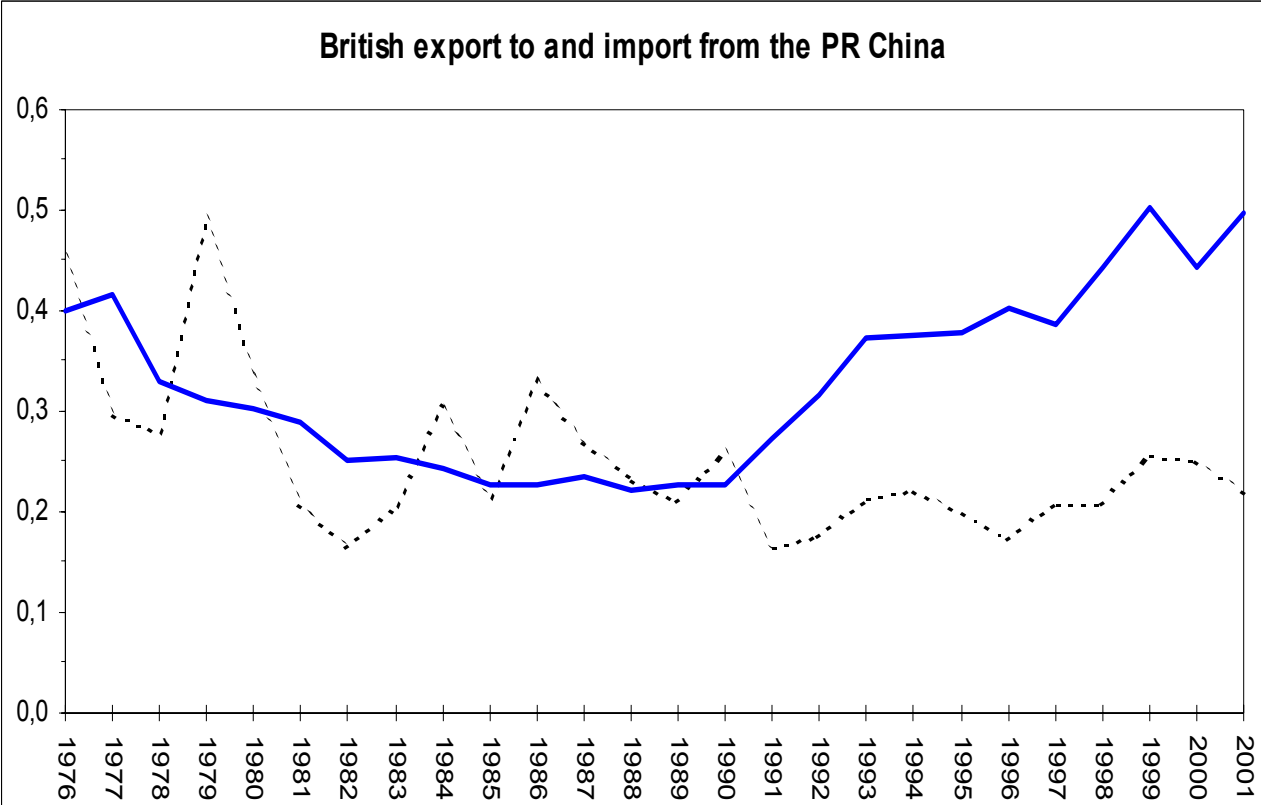
**Chart 44: Intensity of Trade between Sweden and the PR China**



----- Export      ——— Import

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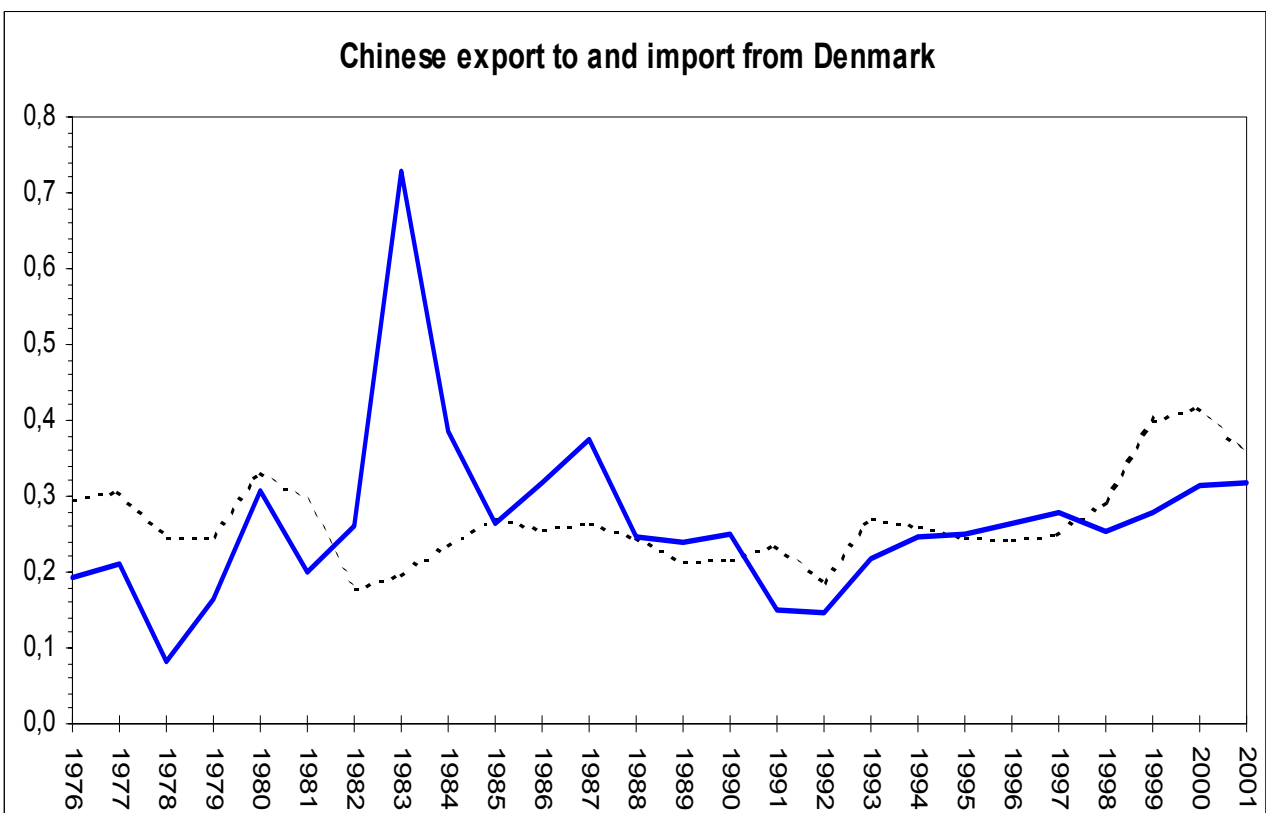
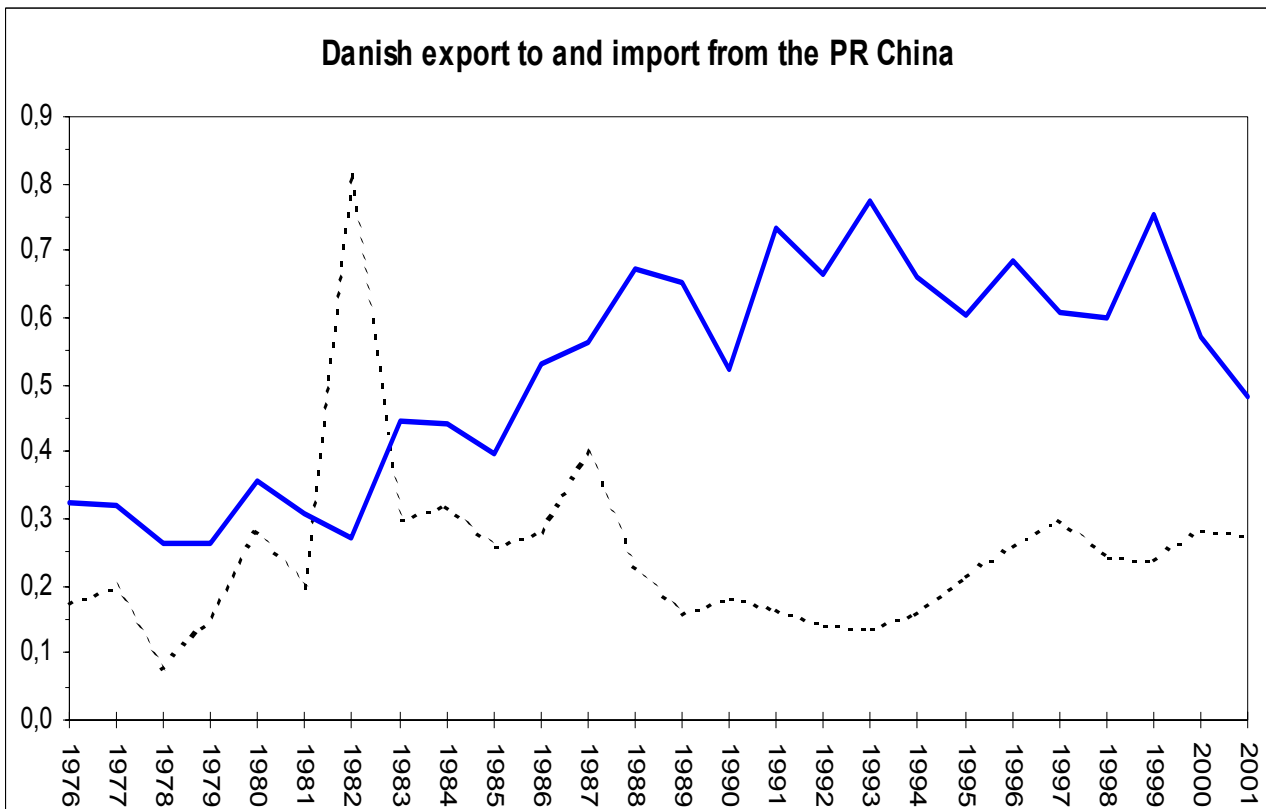
**Chart 45: Intensity of Trade between the UK and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

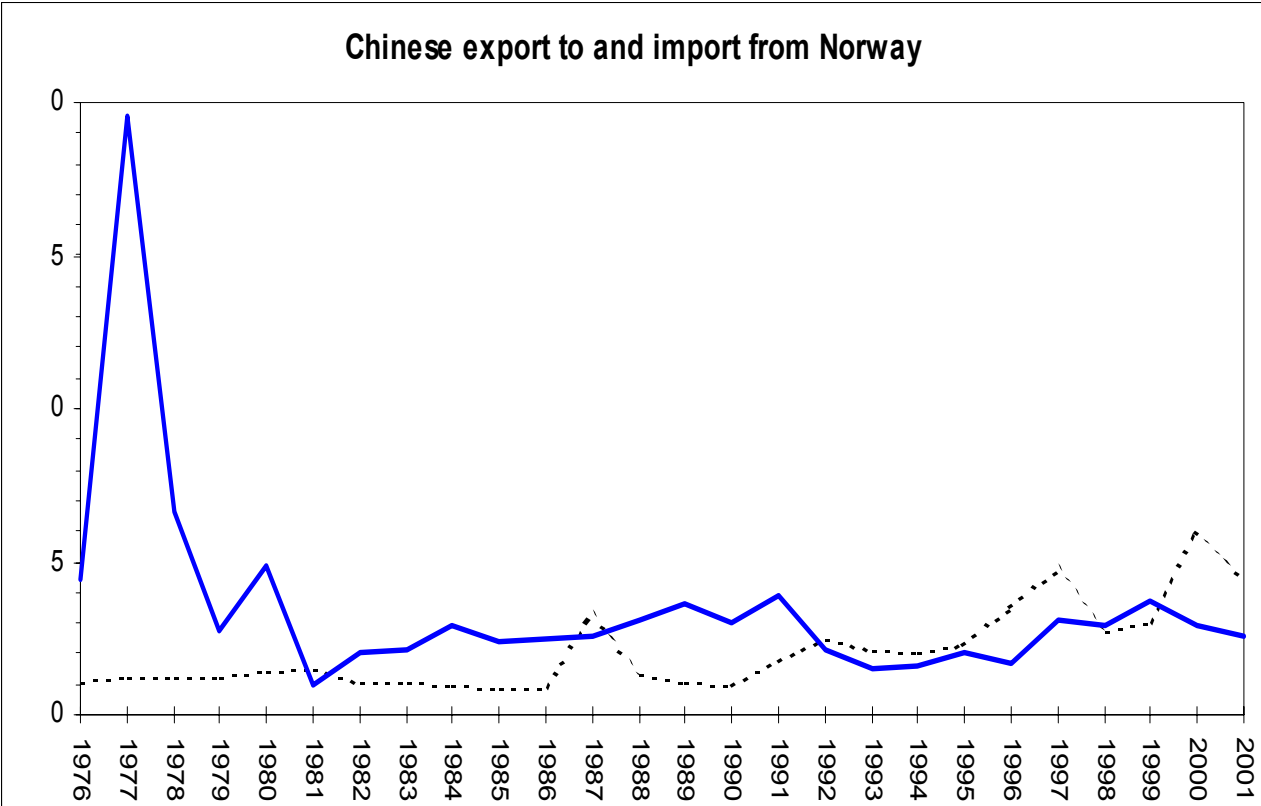
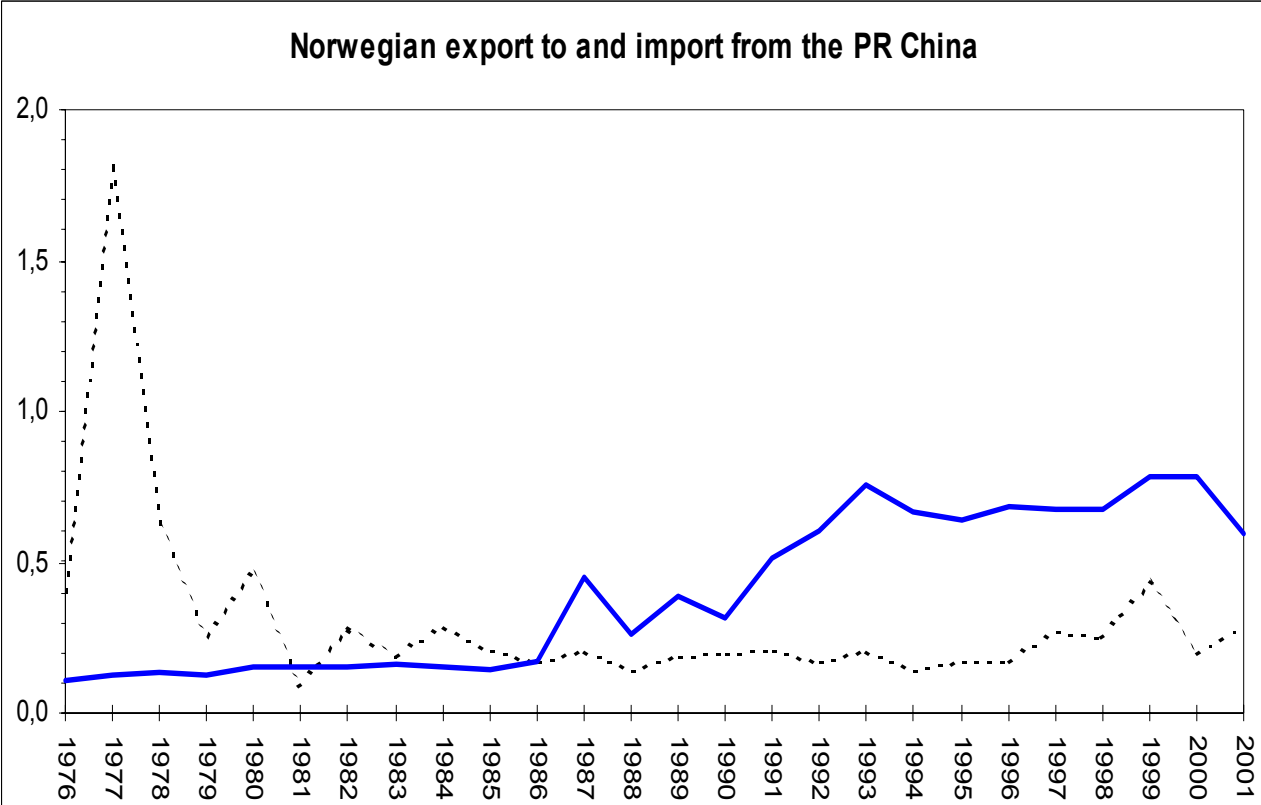
**Chart 46: Intensity of Trade between Denmark and the PR China**



----- Export      ——— Import

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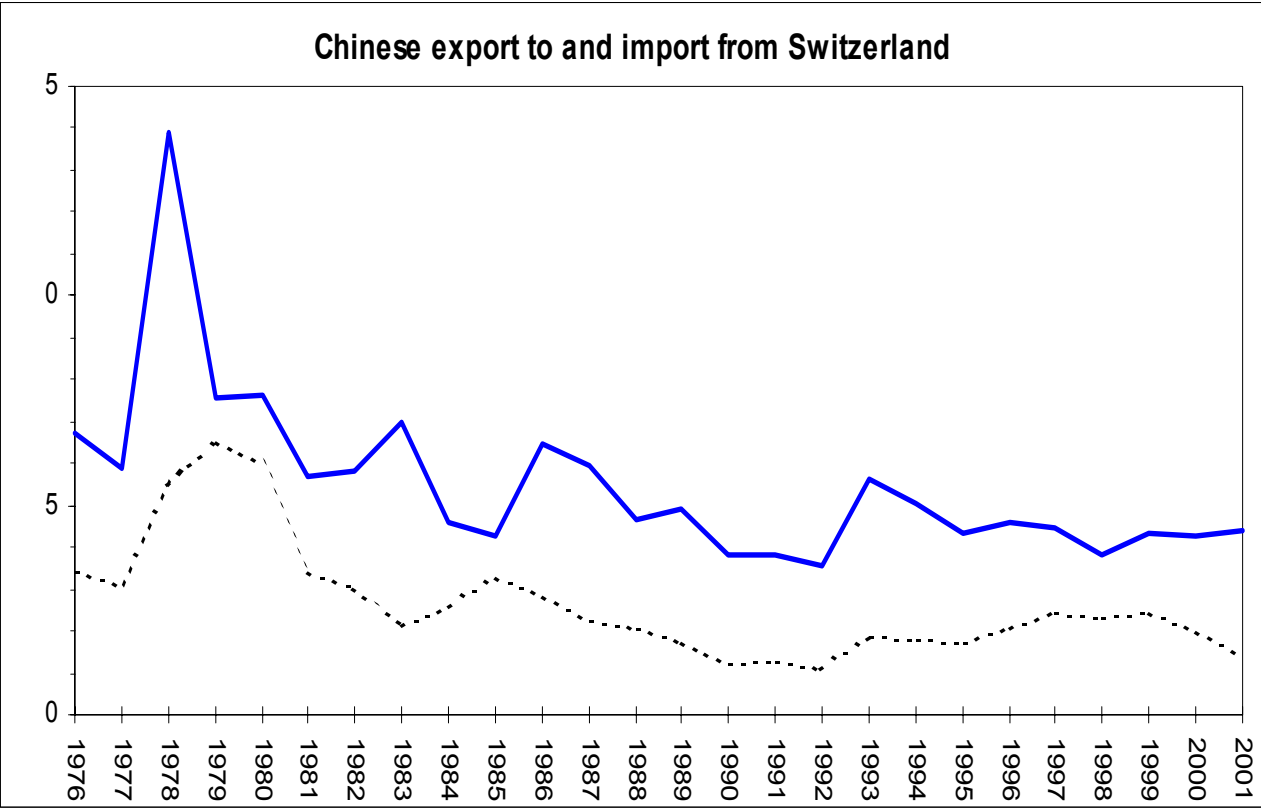
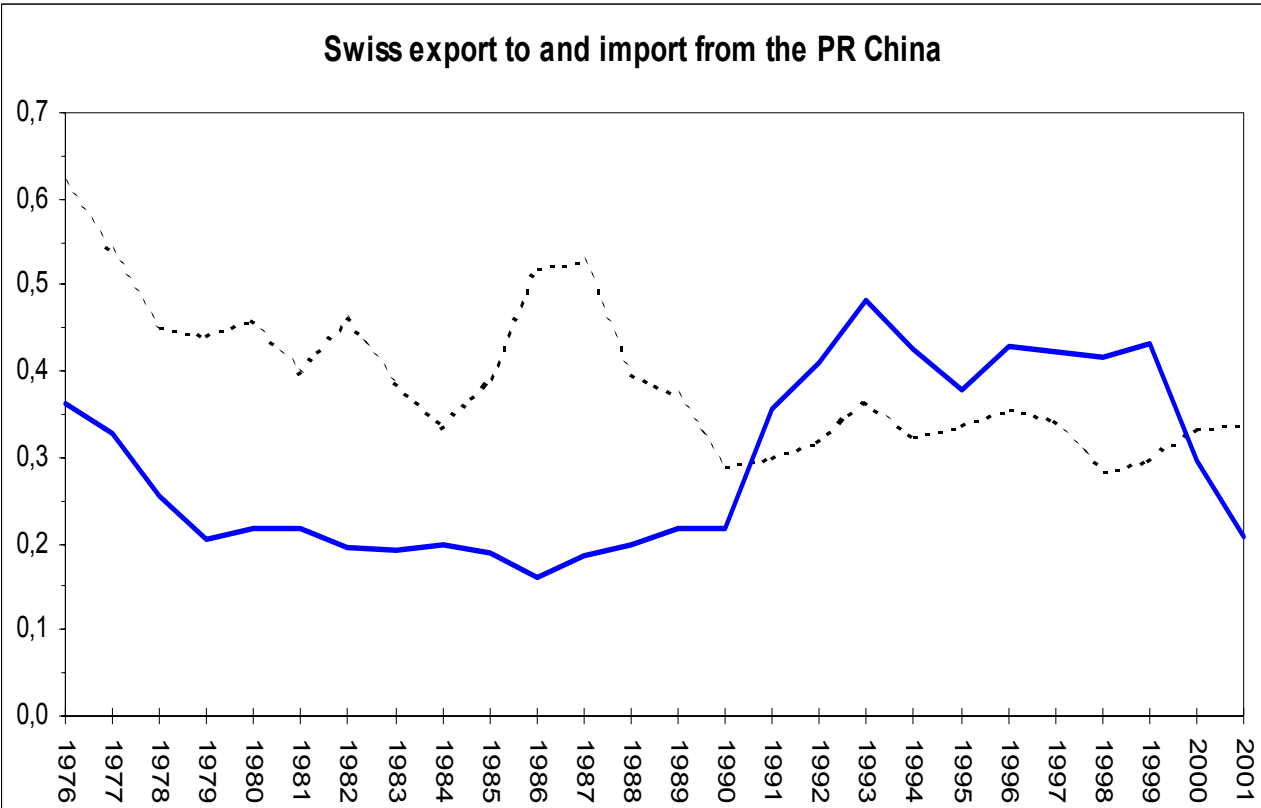
**Chart 47: Intensity of Trade between Norway and the PR China**



----- Export      ——— Import

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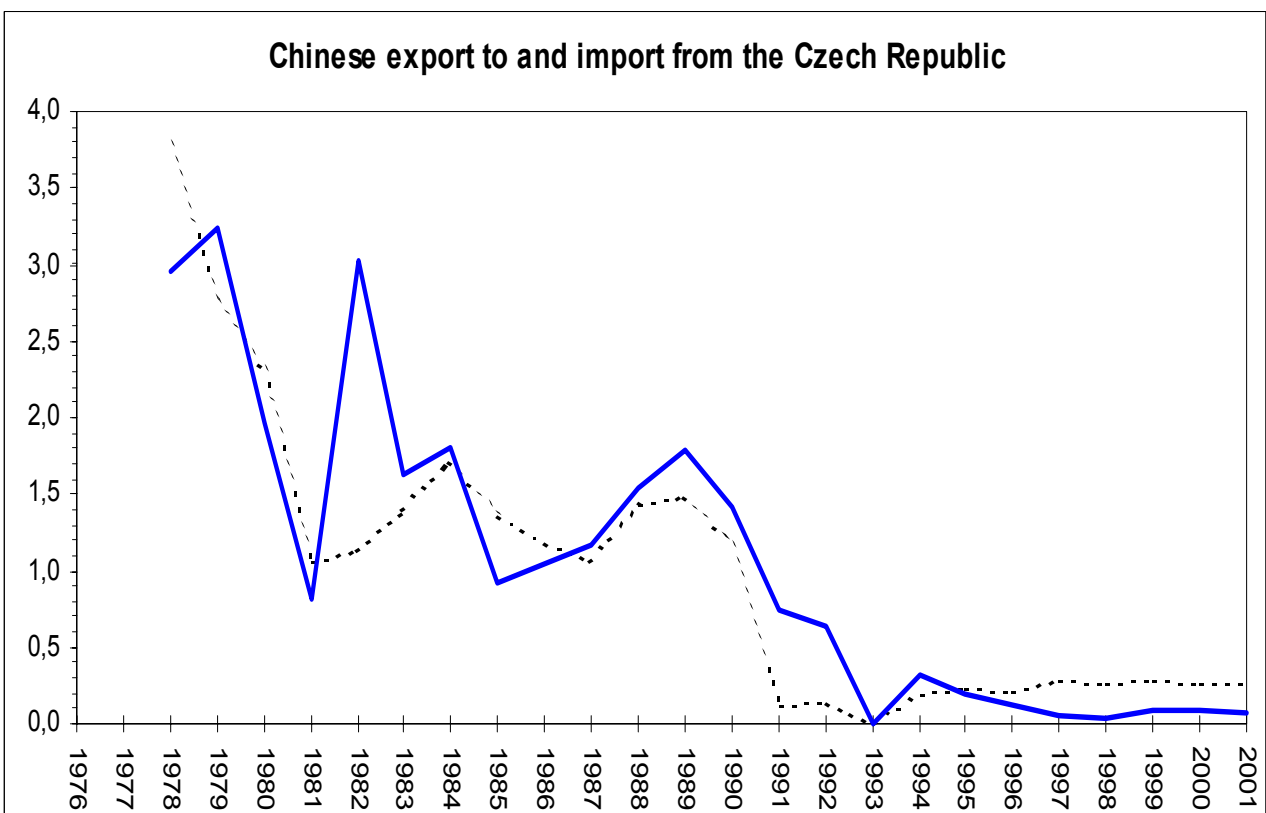
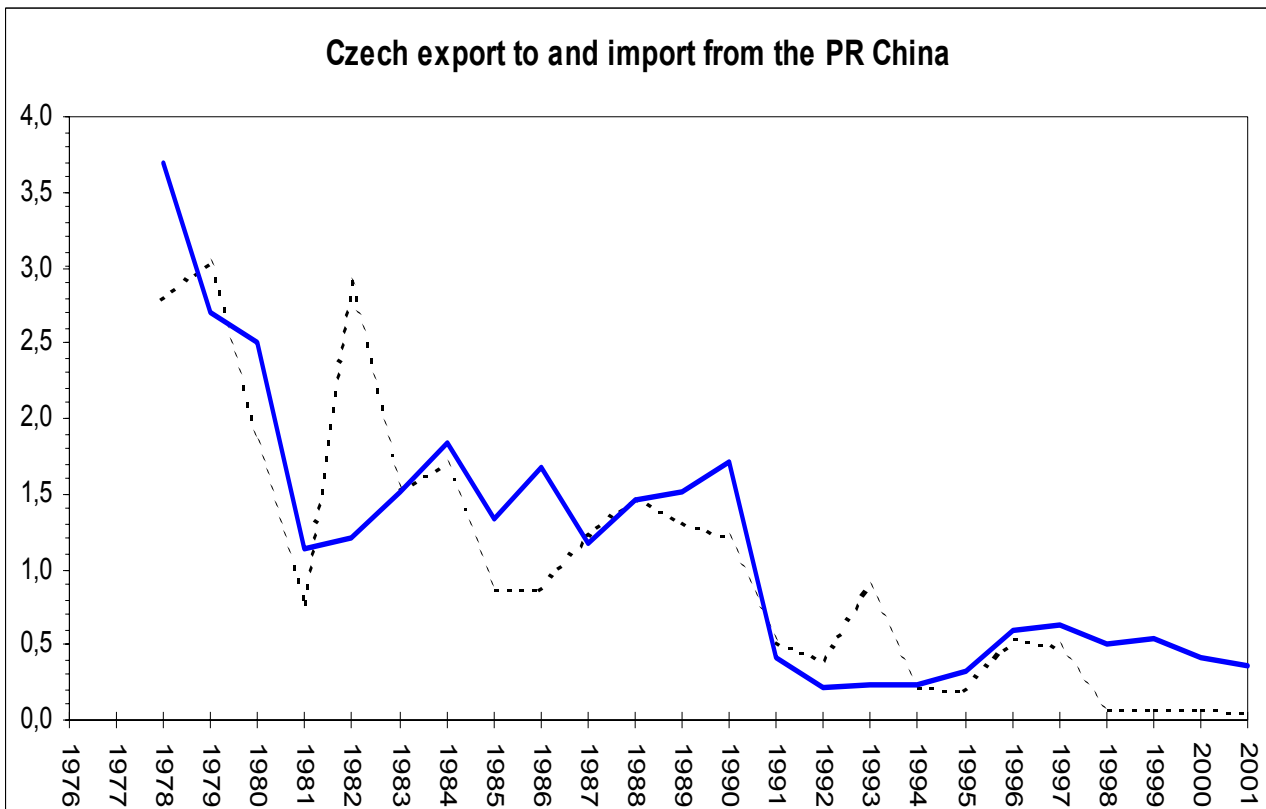
**Chart 48: Intensity of Trade between Switzerland and the PR China**



----- Export      ——— Import

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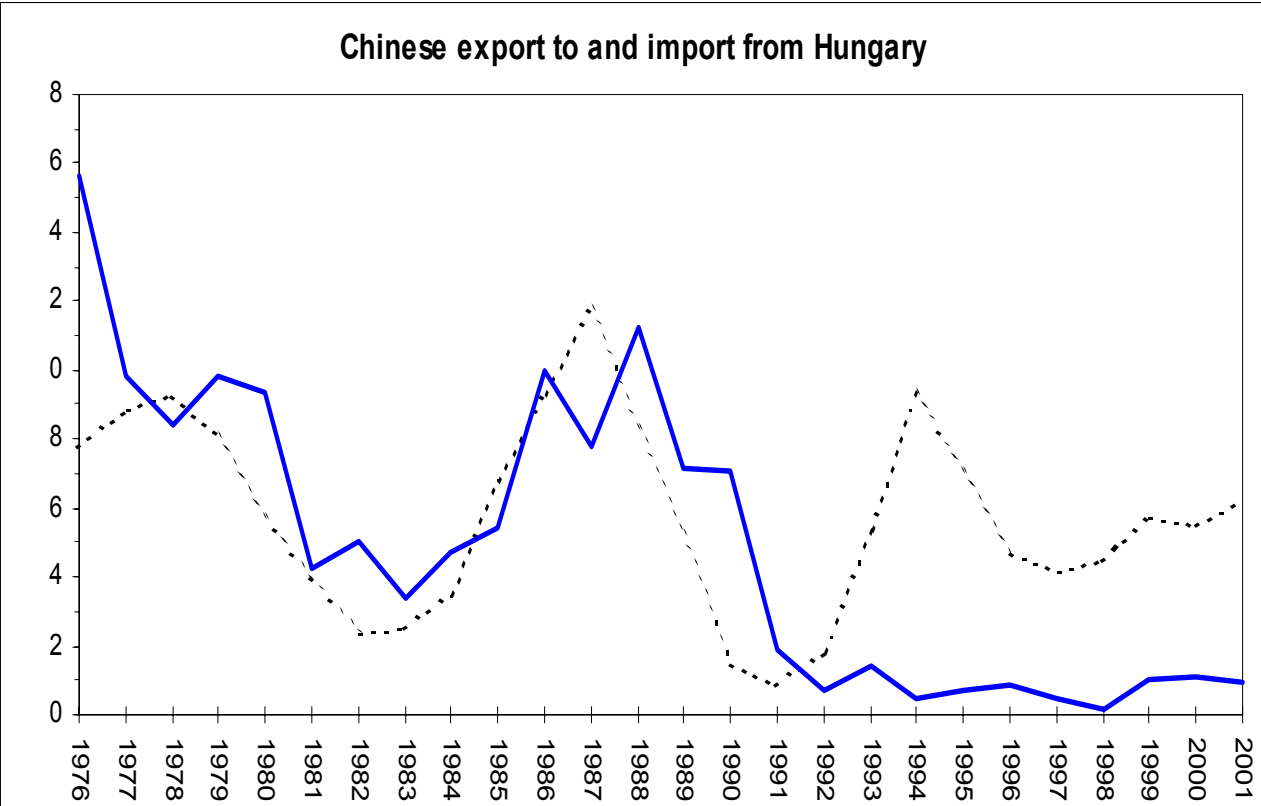
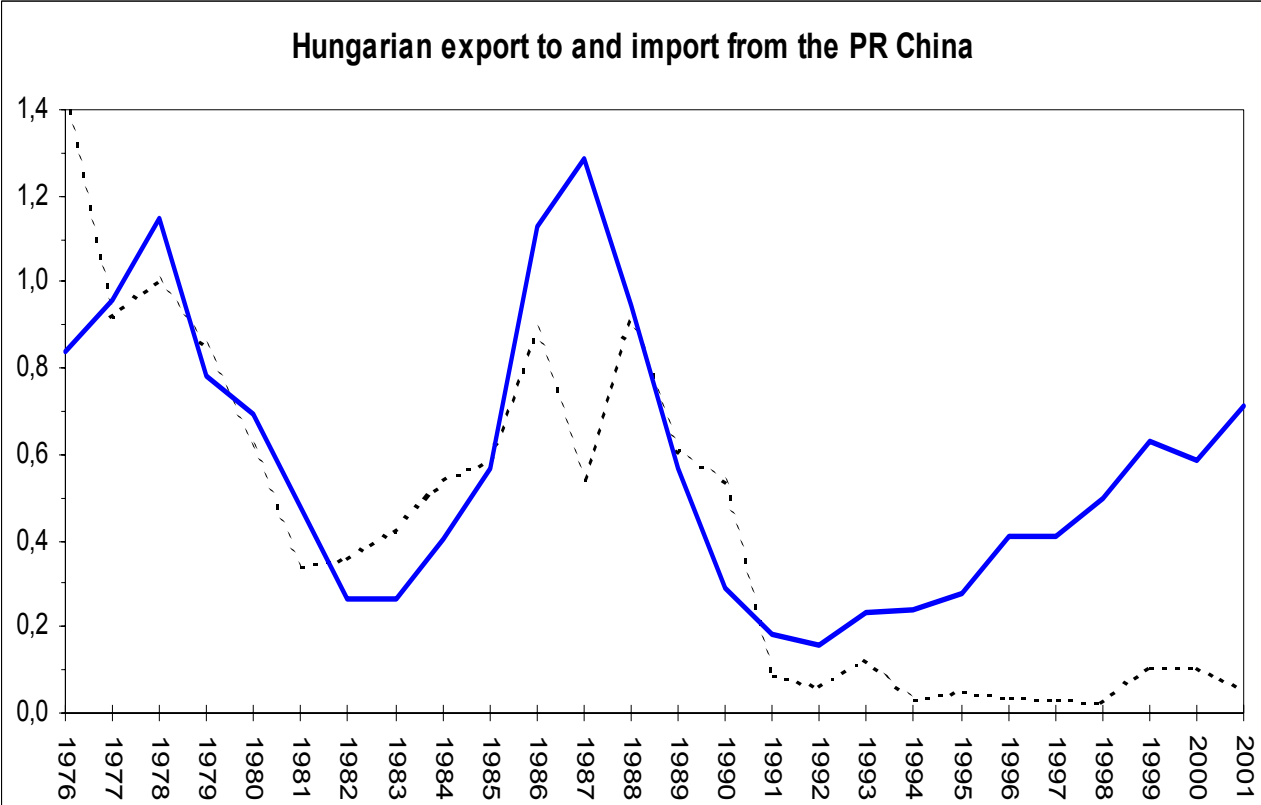
**Chart 49: Intensity of Trade between the Czech Republic and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

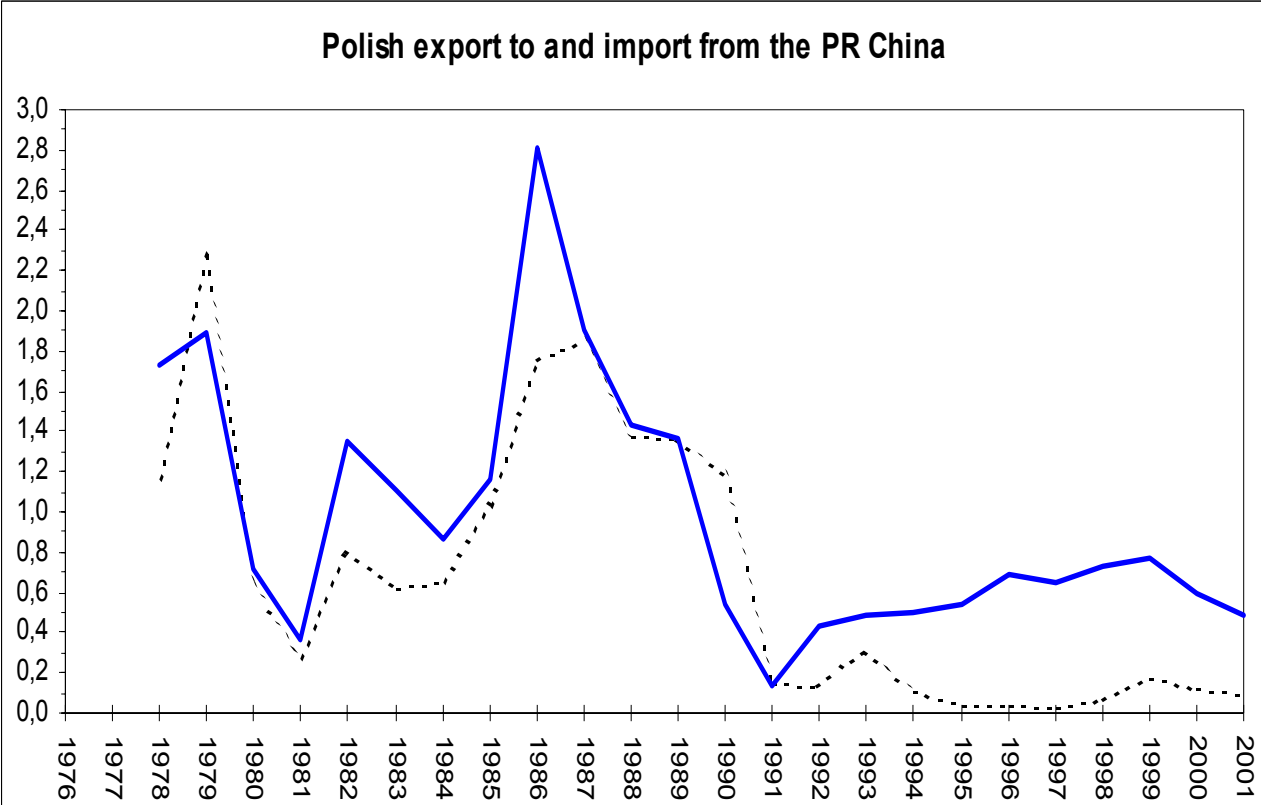
**Chart 50: Intensity of Trade between Hungary and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

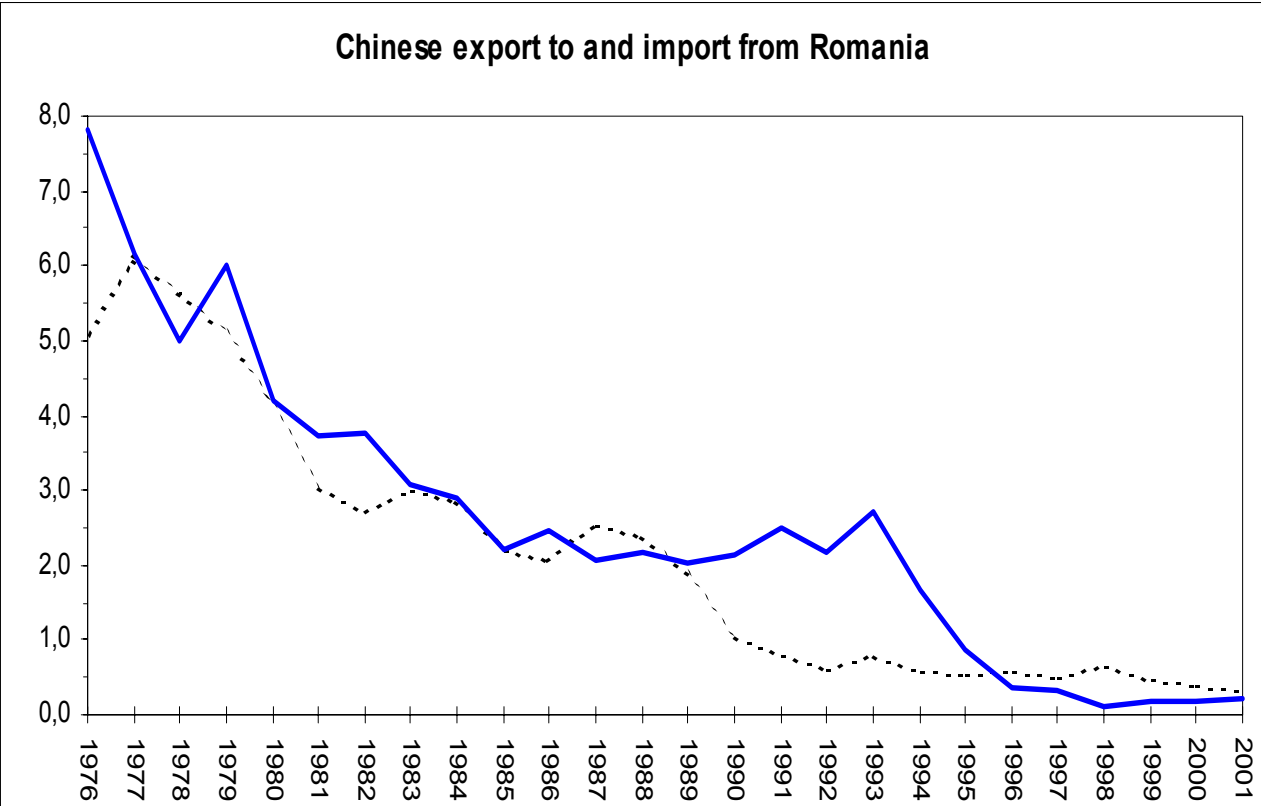
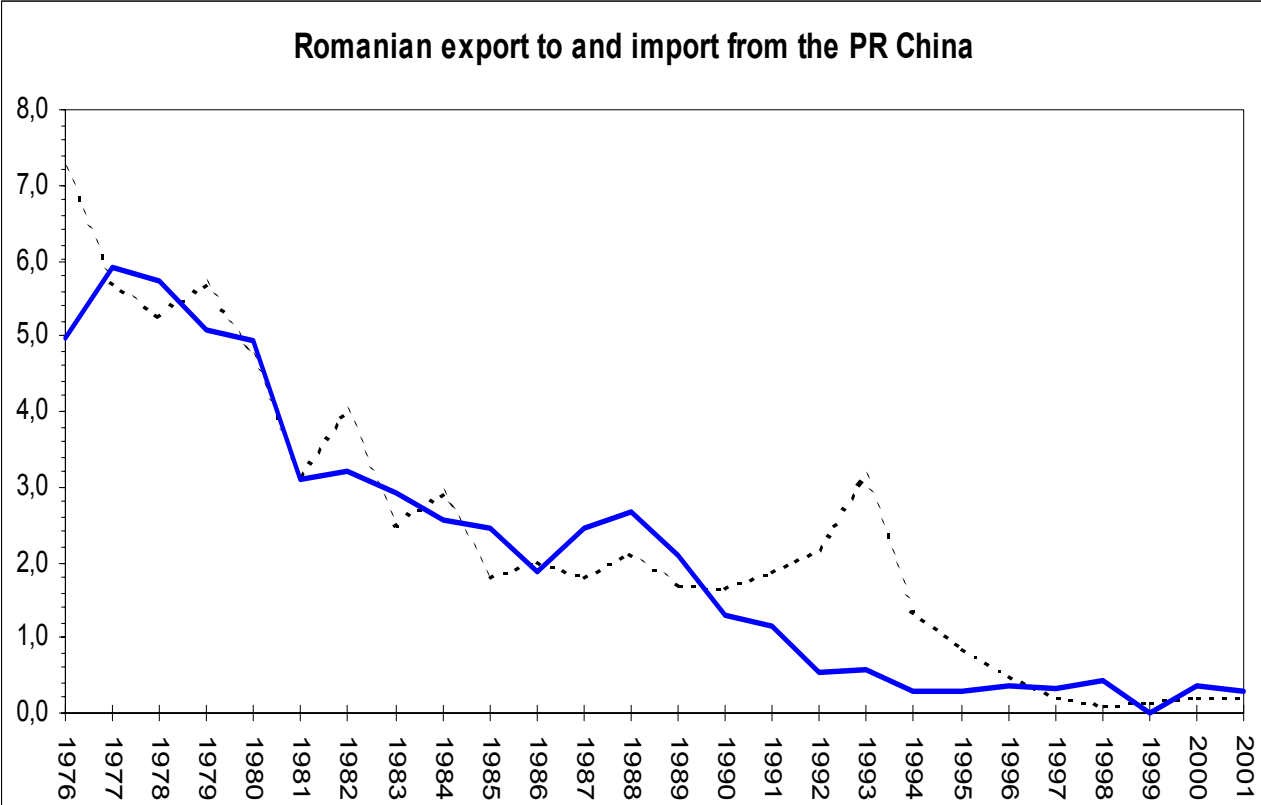
**Chart 51: Intensity of Trade between Poland and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

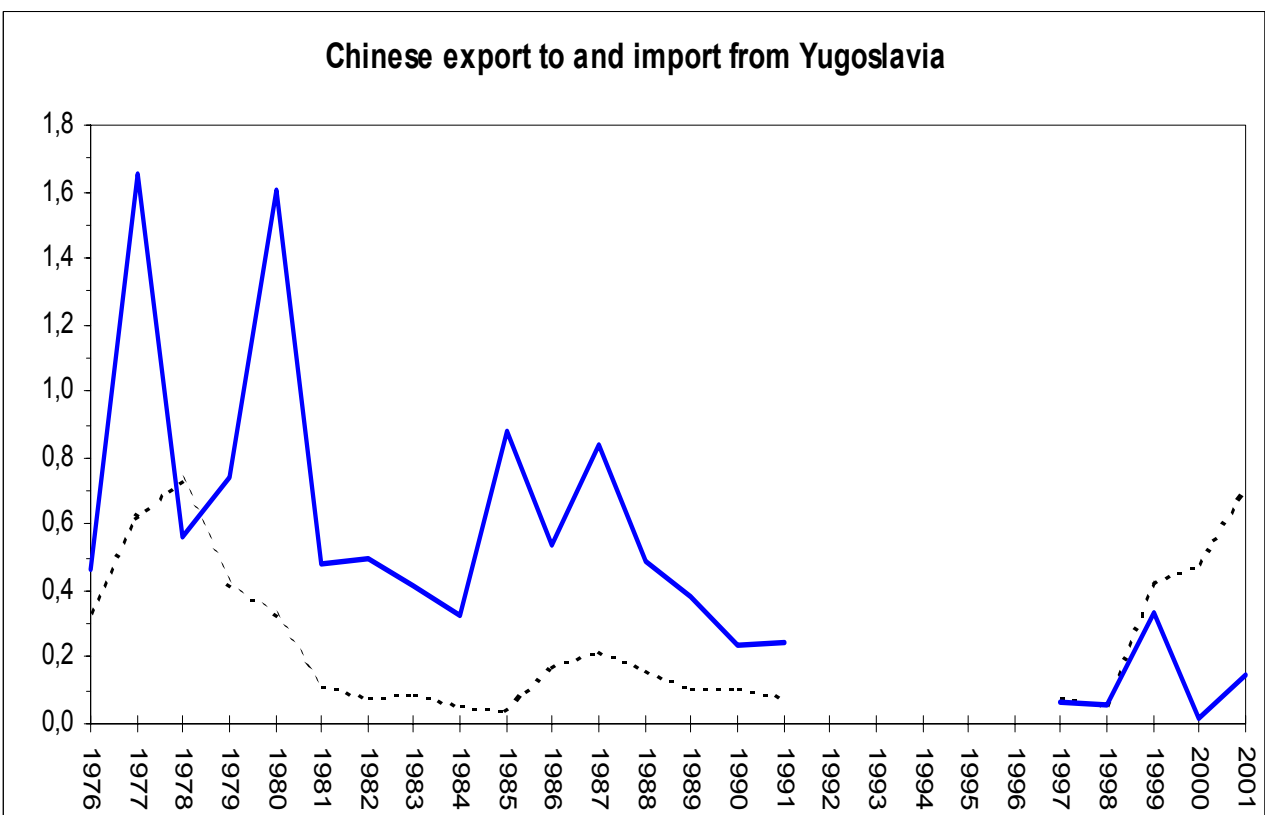
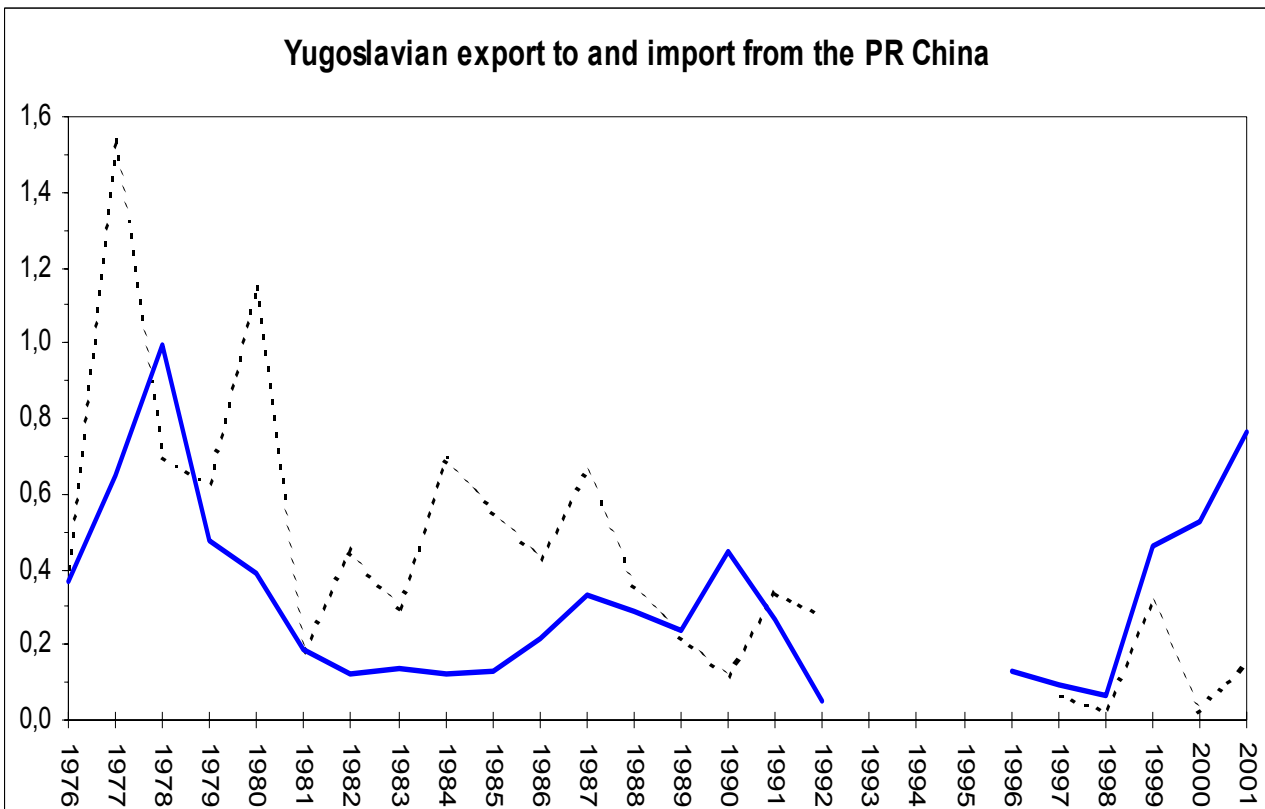
**Chart 52: Intensity of Trade between Romania and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

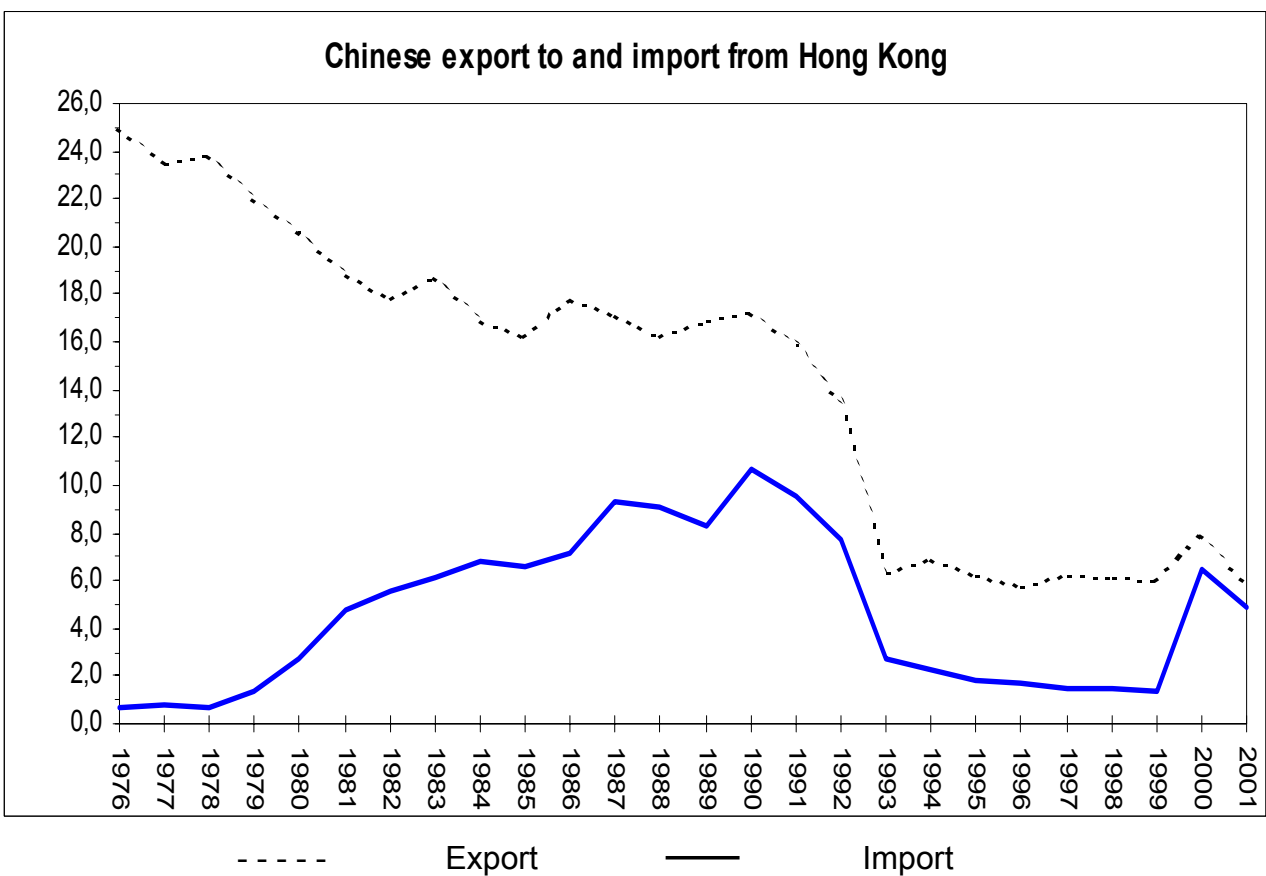
**Chart 53: Intensity of Trade between Yugoslavia and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

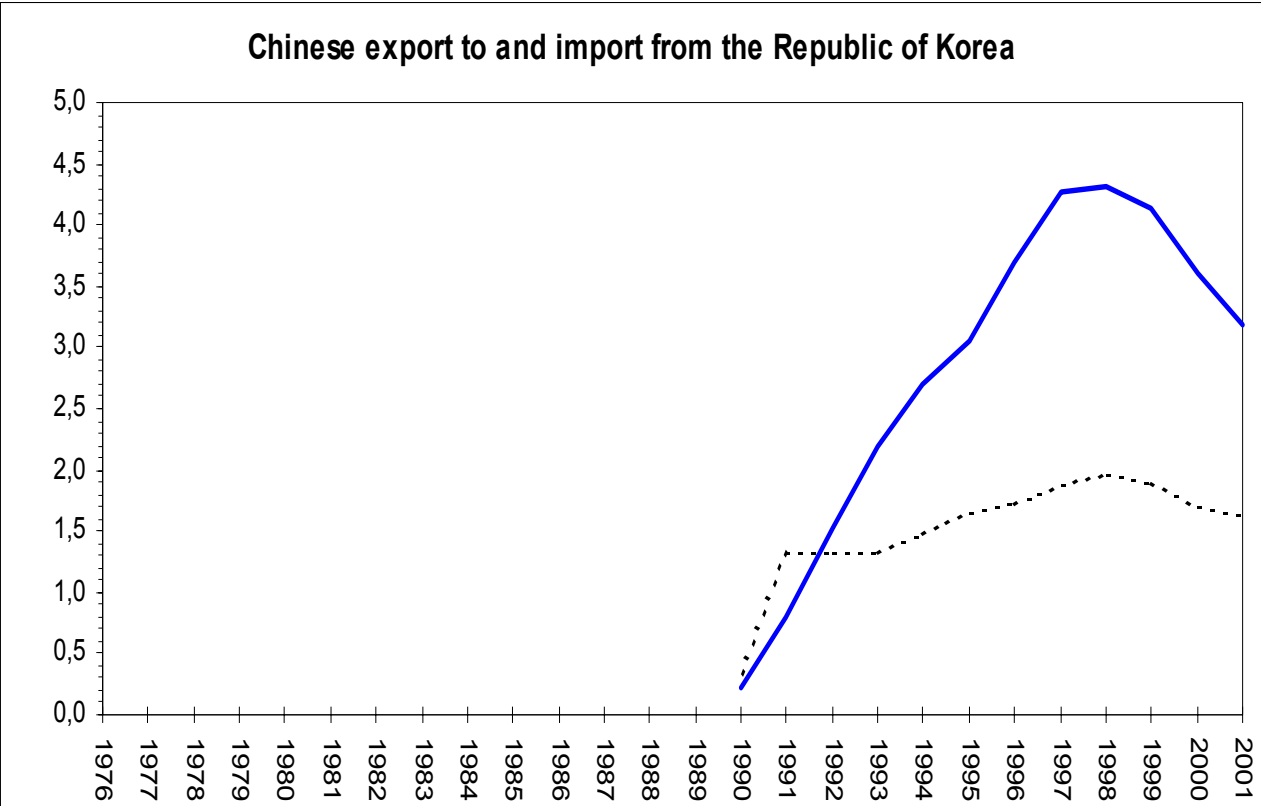
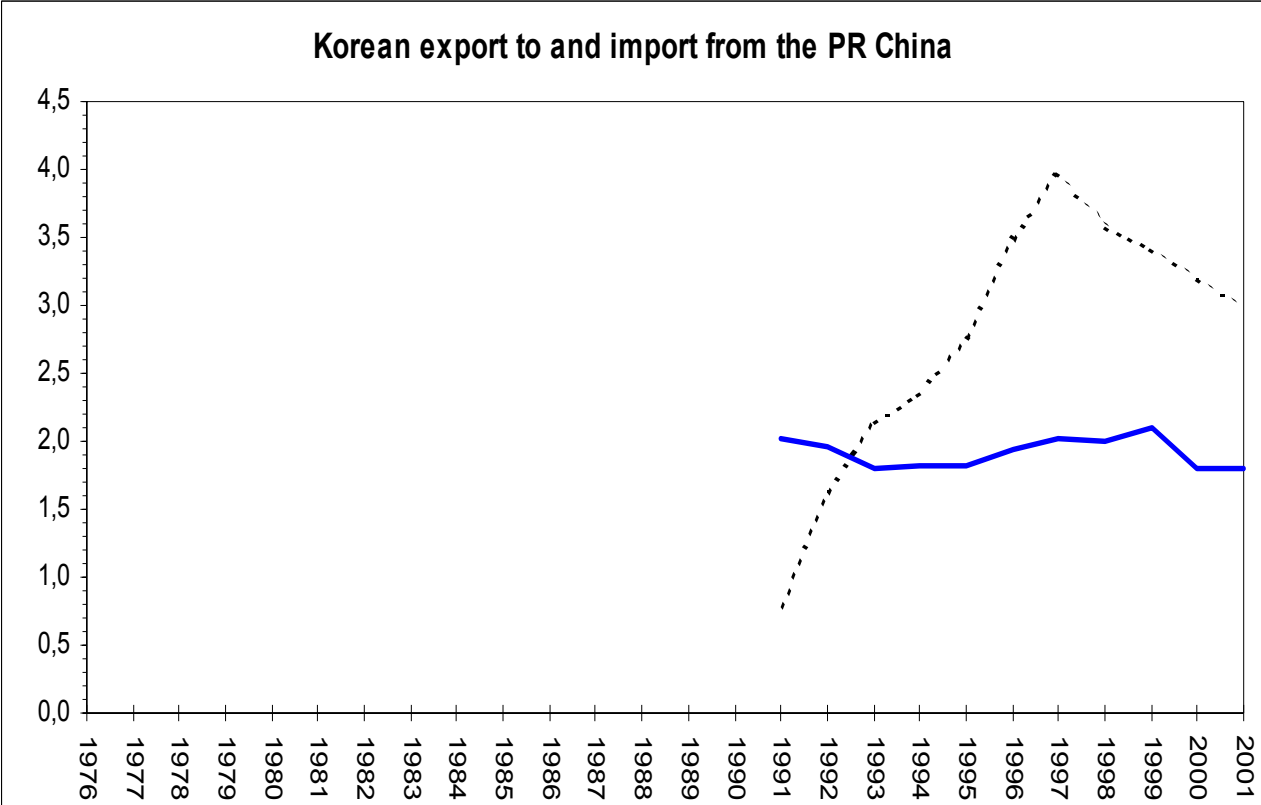
**Chart 54: Intensity of Trade between Hong Kong and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

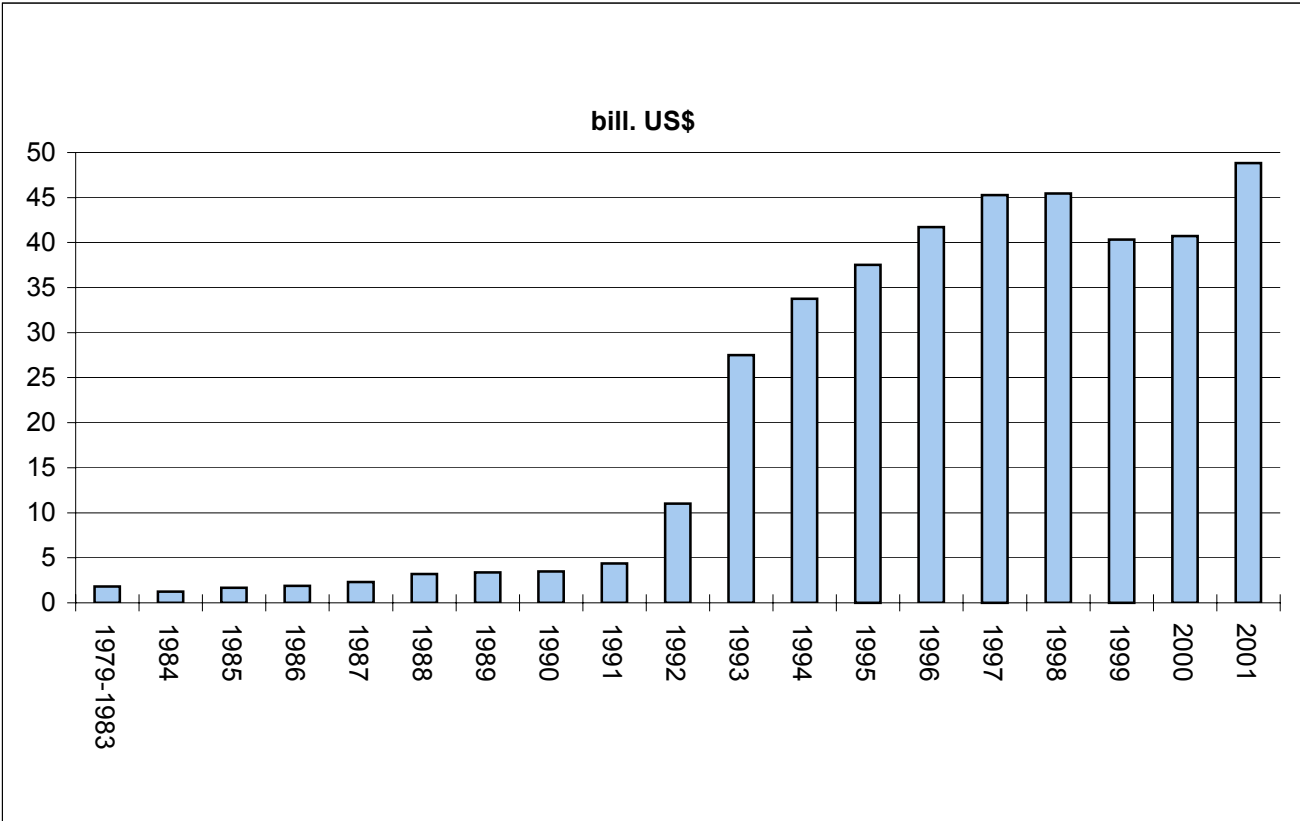
**Chart 55: Intensity of Trade between the Republic of Korea and the PR China**



----- Export      ——— Import

Data: International Monetary Fund (various): Direction of Trade Statistics Yearbook, Washington.

**Chart 56: Actually realized foreign direct investment in China, 1979-2001**



Data: Guojia tongji ju [National Bureau of Statistics] (various): Zhongguo tongji nian-jian [China Statistical Yearbook], Beijing.



<b>Table 1: Development of actually used FDI in China by selected European countries 1985-1993</b>											
<b>in Mio. US-\$</b>											
	<b>1985</b>	<b>1986</b>	<b>1987</b>	<b>1988</b>	<b>1989</b>	<b>1990</b>	<b>1991</b>	<b>1992</b>	<b>1993</b>		
<b>Austria</b>	0.00	2.04	0.90	0.35	0.69	1.38	2.42	5.89	15.63		
<b>Belgium</b>	7.89	8.82	7.54	3.89	0.00	8.00	0.10	4.46	25.74		
<b>Denmark</b>	6.46	1.41	2.42	19.80	8.31	10.39	0.00	12.15	4.15		
<b>Finland</b>	0.00	5.91		10.34	11.26	1.50	0.00	0.16	0.51		
<b>France</b>	32.54	43.63	15.55	22.67	4.60	21.06	11.70	46.92	141.41		
<b>Germany</b>	24.14	26.91	3.22	14.90	81.39	64.25	161.72	91.28	62.48		
<b>Greece</b>	0.00	0.76	0.00	0.00							
<b>Ireland</b>							2.50	1.00	1.50		
<b>Italy</b>	19.38	29.40	16.26	30.54	30.28	4.10	41.30	26.66	99.89		
<b>Luxembourg</b>	0.00	0.01		0.00	0.00	0.00	0.00	0.70	1.59		
<b>Netherlands</b>	0.16	2.49	0.21	20.62	17.73	28.41	6.67	28.41	84.00		
<b>Portugal</b>											
<b>Spain</b>	2.65	2.16	0.25	0.00	1.62	7.25	0.94	1.65	9.70		
<b>Sweden</b>	3.57	0.02	1.81	0.00	3.25	0.11	0.77	10.01	22.91		
<b>United Kingdom</b>	71.35	35.26	4.55	34.16	28.48	13.33	37.88	38.50	220.51		
<b>EU-12</b>	165.33	148.26	52.25	126.31	157.00	122.62	258.39	237.50	595.81		
<b>EU-15</b>						159.78					
<b>Czech. Rep.</b>											
<b>Hungary</b>							0.00	3.06	6.09		
<b>Norway</b>	0.00	0.00	1.50	32.01	18.66	2.23	6.05	5.06	1.34		
<b>Poland</b>	0.00	0.00	21.30	0.50							
<b>Switzerland</b>			0.00	6.15	8.72	1.48	12.31	29.44	46.88		
<b>World</b>	1,957.14	2,243.73	2,313.53	3,193.67	3,392.57	3,487.11	4,666.61	11,291.62	27,770.87		

Source:

Guojia tongji ju [National Bureau of Statistics], Zhongguo duiwai jingji nianjian (China Foreign Economic Relations Statistical Yearbook), Beijing, various years.



<b>Table 2: Development of actually used FDI in China by selected European countries 1994-2001 in Mio. US-\$</b>										
	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>		
<b>Austria</b>	10.10	18.65	16.75	74.61	21.13	23.17	22.59	57.78		
<b>Belgium</b>	31.83	54.07	45.49	33.26	28.04	83.22	56.16	20.02		
<b>Denmark</b>	1.65	35.35	28.85	16.81	62.66	84.91	49.46	56.38		
<b>Finland</b>	1.18	4.86	7.10	4.95	39.30	67.65	59.83	73.71		
<b>France</b>	192.04	287.02	423.75	474.65	714.89	884.29	853.16	532.46		
<b>Germany</b>	258.99	386.35	518.31	992.63	736.73	1,373.26	1,041.49	1,212.92		
<b>Greece</b>	0.05	1.02	-	-	0.30	0.03	12.89	7.31		
<b>Ireland</b>	-	0.90	10.03	0.30	-	3.05	0.76	1.29		
<b>Italy</b>	206.16	263.31	166.94	215.04	274.57	187.44	209.51	219.98		
<b>Luxembourg</b>	1.44	10.29	10.26	1.00	11.51	4.22	23.44	28.78		
<b>Netherlands</b>	111.05	114.11	125.11	413.80	718.82	541.68	789.48	776.11		
<b>Portugal</b>		1.36	6.32	4.89	8.67	8.31	3.40	26.02		
<b>Spain</b>	10.18	26.32	20.73	38.81	53.83	17.54	34.00	33.89		
<b>Sweden</b>	24.18	13.56	56.69	42.81	133.42	155.80	159.24	84.39		
<b>United Kingdom</b>	688.84	914.14	1,300.73	1,857.56	1,174.86	1,044.49	1,164.05	1,051.66		
<b>EU-12</b>	1,415.28									
<b>EU-15</b>		2,131.31	2,737.06	4,171.15	3,978.73	4,506.51	4,479.46	4,182.70		
<b>Czech. Rep.</b>	3.32	7.29	10.42	4.98	5.07	14.07	9.75	4.87		
<b>Hungary</b>	3.71	3.06	3.93	5.67	10.73	12.04	10.65	21.53		
<b>Norway</b>	2.31	1.53	26.79	6.46	25.92	18.59	24.10	6.22		
<b>Poland</b>	1.86	1.57	3.38	0.94	0.94	3.54	4.64	3.67		
<b>Switzerland</b>	70.54	63.53	187.61	215.67	228.82	247.09	194.03	205.44		
<b>World</b>	33,766.50	37,520.53	41,725.52	45,257.04	45,462.75	40,318.71	40,714.81	46,877.59		

Source:

Guojia tongji ju [National Bureau of Statistics], Zhongguo duiwai jingji nianjian (China Foreign Economic Relations Statistical Yearbook), Beijing, various years.



<b>Table 3: Total ODA net disbursements received by China</b>											
<b>1979 - 1989</b>											
<b>in Mio. US-\$</b>											
	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
<b>Total (all DAC member countries)</b>	<b>16.9</b>	<b>66.1</b>	<b>477.0</b>	<b>524.0</b>	<b>669.6</b>	<b>798.2</b>	<b>940.0</b>	<b>1,133.9</b>	<b>1,461.7</b>	<b>1,988.9</b>	<b>2,153.5</b>
<b>By country of origin</b>											
Austria	0.1	0.1	0.3	0.2	0.3	0.2	0.3	0.5	2.4	17.5	50.2
Belgium		10.4	8.4	6.9	6.3	6.2	6.9	1.8	25.3	15.1	1.3
Denmark		0.0	0.1	8.5	5.2	2.2	8.3	19.2	23.2	19.5	11.0
Finland		0.1	0.3	0.0	0.0	0.0	2.2	0.2	2.1	0.6	3.6
France			2.7	2.3	4.7	6.0	6.3	9.9	46.9	134.0	179.9
Germany	1.3	6.5	8.1	60.2	96.7	57.5	97.6	51.2	29.3	45.6	111.9
Ireland					0.0	0.0	0.1	0.1	0.1	0.0	0.0
Italy	0.1	0.2	0.4	2.7	11.1	9.9	14.4	31.9	106.7	111.5	118.8
Luxembourg											
Netherlands							0.4	2.4	3.2	36.8	40.2
Norway			0.5	0.8	5.8	11.9	3.6	4.5	8.3	10.1	6.3
Portugal											
Spain											
Sweden	0.1		1.2	0.3	0.6	0.8	11.4	6.3	5.0	21.5	42.5
Switzerland	0.1		0.2	0.1	0.1	0.1	0.1	0.3	5.6	11.3	7.9
United Kingdom		0.1	0.3	0.3	0.3	0.8	1.6	3.2			
<b>Commission of the EC</b>			7.2				0.9	7.5	6.7	45.8	41.2
<b>CEC &amp; EU members</b>	1.5	17.2	27.2	80.8	124.1	82.5	136.4	127.2	246.1	450.9	531.1
<b>Japan</b>											

Source:

Organization for European Co-operation and Development. Geographical Distribution of Financial Flows to Aid Recipients, Paris, various years.

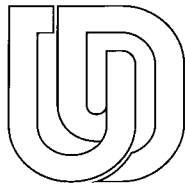


<b>Table 4: Total ODA net disbursements received by China</b>											
<b>1990 - 2000</b>											
<b>in Mio. US-\$</b>											
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<b>Total (all DAC member countries)</b>	2,076.2	1998.7	3049.6	3,271.2	3,238.4	3,534.4	2,617.6	2,040.3	1,731.7	1821.6	1357.5
<b>By country of origin</b>											
Austria	102.8	97.2	23.0	10.1	32.4	66.2	4.9	3.3	-2.5	-6.4	5.0
Belgium	4.5	2.3	18.1	10.5	2.1	10.9	7.8	5.3	6.5	-3.8	2.9
Denmark	11.0	6.8	14.8	3.7	-0.3	10.1	20.9	13.7	-3.9	0.1	-1.7
Finland	16.1	12.7	12.8	9.6	9.6	16.2	14.5	17.2	14.7	13.2	10.9
France	88.0	138.5	153.4	102.6	97.7	91.2	97.2	50.1	29.8	46.2	46.0
Germany	228.9	107.1	192.8	247.8	300.0	684.1	461.1	381.9	321.3	304.6	212.8
Ireland		0.0	0.0	0.0	0.1	0.2	0.4	0.4	0.5	0.6	0.4
Italy	45.3	54.9	201.6	135.5	69.6	6.2	6.2	-6.6	11.2	-9.9	-21.2
Luxembourg			0.0	0.4	0.5	0.1	1.2	0.2	1.3	0.3	0.3
Netherlands	17.0	7.0	3.7	12.8	10.1	15.9	2.7	7.7	13.2	34.2	24.9
Norway	5.8	10.6	15.7	11.4	22.6	10.5	9.1	15.0	11.9	14.1	9.9
Portugal				0.2	0.2			0.0	0.1	0.0	0.4
Spain		84.6	191.8	140.1	153.1	56.0	37.0	33.6	20.0	34.8	32.0
Sweden	31.9	9.6	31.0	35.4	17.5	15.3	17.7	6.8	10.3	3.8	11.0
Switzerland	8.4	19.8	7.7	10.3	7.3	10.1	8.8	4.1	4.3	6.1	9.0
United Kingdom	4.8	42.5	26.8	33.3	47.0	47.8	57.1	46.2	55.4	59.3	83.4
<b>Commission of the EC</b>	41.2	26.8	31.3	19.5	14.1	32.7	34.8	15.5	21.7	39.6	27.4
<b>CEC &amp; EU members</b>	469.3	583.1	933.1	770.4	753.5	1,052.7	763.5	575.3	499.6	516.7	434.6
<b>Japan</b>	723.0	585.3	1,050.8	1,350.7	1,479.4	1,380.2	861.7	576.9	1,158.2	1226.0	769.2

Source:

Organization for European Co-operation and Development. Geographical Distribution of Financial Flows to Aid Recipients, Paris, various years.





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