BACKGROUND PAPER

ON

CHINA

1. This background paper is a brief introduction to China from three perspectives. It will cover its economy, language, and the United States (U.S.) interests in China.

2. Since 1978, China has performed a series of economy reform from a centrally planned system to a market-oriented system.1 In 2014, China became the world's second largest economy.2 In October 2016, Chinese yuan was included in the Special Drawing Right (SDR) basket as a fifth currency by International Monetary Fund (IMF), along with the U.S. dollar, the euro, Japanese yen, and the British pound.3 Despite the rapid economic growth in the last three decades, there are some economic challenges the Chinese Government faces including: (a) high housing price and relatively low domestic consumption; (b) economic crimes and corruption; and (c) deterioration in environment.4 China's per capita income is still below the world average.5

3. Over one billion people speak Chinese as their [first language](https://en.wikipedia.org/wiki/First_language) in the world.6 It is the official language in China7, Taiwan8, and one of the official languages in Singapore9 and United Nations.10 There are over 10 different types of dialects spoken in China.11 Mandarin is the most widely used dialect. It is based on the dialect in Beijing, the capital of China. There are 897 million people thatcan speak and understand Mandarin.12 There are about 80 million people that can speak Shanghainese in Zhejiang Province, Jiangsu Province and Shanghai.13 In Canton province, Hong Kong and Marco, there are about 63 Million people that speak Cantonese. Cantonese is the third most spoken dialect in China.14 The most Chinese who speak different dialects cannot understand each other. However, the written form is shared by all the Chinese speakers. 15 Unlike many other languages around the world, written Chinese uses a pictorial representation instead of a phonetic one. 16

4. The U.S. is China’s largest export marketand China is currently the third largest export market for the U.S.17 The U.S. welcomes a peaceful and prosperous China to play a bigger role in addressing global challenges. For instance, nuclear proliferation concerns in North Korea and Iran, which have close economy and energy ties with China.18, 19 The U.S. seeks to keep comprehensive and cooperative relationship with China. It is a key part of reinvigorated U.S. engagement with the Asia-Pacific region.20 Chinese is a highly sought language by the U.S. Government. In January 2006, the National Security Language Initiative (NSLI) program was introduced by President George Washington Bush to develop the foreign language skills of American students.21 Chinese is one of six critical-need foreign languages.22 Since 2009, the Department of Defense has authorized that hundreds of non-immigrant individuals who can speak Chinese and join the military are able to become naturalized U.S. citizens by the time they complete 10 weeks of vigorous basic combat training.23

5. This background paper was on China. It briefly covered its economy, language, and the U.S. interests in China.

END NOTES

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