US Trade Act won't impede China's progress

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Section 301 authorizes the US president to impose trade sanctions on countries that are judged to have violated trade agreements or engaged in unfair trade practices. Since 1989, the US has issued a Special 301 Report every year, focusing on intellectual property rights. The US Trade Representative put China on the "Priority Watch List" in 1989, and in 1991, the United States threatened China "with reciprocal sanctions in the form of 100 percent tariffs" imposed on a list of goods. Under this threat based on section 301, China narrowly averted an outright trade war by agreeing to a Memorandum of Understanding on the Protection of Intellectual Property in 1992.  
In the next two decades, the US Trade Representative launched many investigations into Chinese companies. Despite that, the Chinese economy has developed robustly.  
According to International Monetary Fund data, China's nominal GDP in 1989 was $461.10 billion and that of the US $5.66 trillion, or 11.39 times that of China. And China's GDP based on purchasing power parity in 1989 was $1.04 trillion, compared with the US' $5.66 trillion.  
When a "Special 301" investigation against China was launched in 1991, China's nominal GDP was $415.60 billion and the US' $6.17 trillion, which was 14.86 times that of China. And China's GDP based on purchasing power parity was $1.26 trillion and the US' $6.17 trillion, or five times that of China.  
But last year, China's nominal GDP reached $11.39 trillion, with the US' being $18.56 trillion, just 1.63 times that of China. But more importantly, China surpassed the US in terms of PPP based GDP－$21.27 trillion compared with $18.56 trillion. In percentage terms, the US' purchasing power parity-based GDP was about 87 percent of China's.  
On the foreign trade front, China's import-export structure used to be unbalanced－a large percentage of the exports were primary products and imports mainly comprised manufactured goods.  
But by the time the US launched investigations into Chinese companies based on the Special 301 clause in 1990, China's exports of manufactured products ($46.20 billion) exceeded its imports ($43.50 billion) for the first time. China has maintained a trade surplus since then.  
China has gradually developed into the largest exporter of manufactured goods and the largest importer of primary products. Last year, it exported about $2.09 trillion worth of goods, about 10 times more than in 1989.  
Apart from having a balanced import-export structure and a trade balance, China has climbed up the international value chain with its share of the global market increasing from only 0.9 percent in 1948 to 14.2 percent in 2015, about twice that of the US.  
And that China made these achievements despite the US' continued use of the Special 301 clause of the Trade Act of 1974 shows that those investigations have had limited impact on the economic development of China. China has become the world's largest manufacturing economy and the largest exporter, and has the largest foreign exchange reserves. Therefore, the use of Section 301 by the US will not have much impact on China's progress toward stronger economic development and a better future.

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