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The impact of ongoing trade friction will not only keep Chinese investors away from the United States, but also lead to a shrinking share in the huge Chinese market for US firms, experts warned on Thursday.  
They forecast that the uneasy situation will force China to import more products such as automobiles, passenger aircraft, natural gas, crude oil, cotton and medicines from other nations.  
Their comments came after the New York-based Rhodium Group said in a report on Wednesday that China’s investment in the US totaled $1.8 billion in the first five months of this year, a 92 percent drop year-on-year, and the lowest level in seven years.  
Chinese investors, in the meantime, completed $9.6 billion worth of divestitures in the US, with another $4 billion of sales pending, according to the report.  
Another survey carried out by the China General Chamber of Commerce-USA showed that 44 percent of respondents have seen a deterioration in China-US economic and trade relations in 2018.  
And the same proportion said that a stable and healthy relationship between the two nations is extremely important to the success of their company’s business in the US, according to the chamber’s survey.  
Chinese companies had invested $140 billion in the US by the end of last year and had created 140,000 jobs mainly in the manufacturing, infrastructure, service, research and development sectors between 2010 and 2017, according to a report jointly released on Tuesday by the National Committee on US-China Relations and the Rhodium Group in April.  
“Chinese companies have already shifted their focus to European countries and South Korea to seal and seek new opportunities via establishing joint ventures, and merger and acquisition activities,” said Ma Yu, a senior researcher at the Chinese Academy of International Trade and Economic Cooperation in Beijing.  
He said China and the European Union, both as the victims of US trade protectionism, comprehensive strategic partners and firm supporters and active participants of multilateral free trade, will certainly increase their FDI in each other’s markets as the negotiation progress of the EU-China Comprehensive Agreement on Investment has been smooth.  
Aside from investment activities, experts said a trade war would hit US farmers and manufacturers, a vast majority of whom supported Donald Trump in the 2016 election.  
“Jobs for the Chinese are just as precious as those for the Americans,” said Zha Daojiong, professor of international political economy at the School of International Studies at Peking University.  
“It will be wise for the two sides to come back to the negotiating table, abide by a temporary agreement and turn down the rhetoric.”  
Reuters reported that Indian cotton exporters expected the nation’s cotton shipments to China could grow fivefold to 850,000 metric tons in the next crop year as they rack up orders amid trade friction that is forcing China to look for other sources of supply, even though the US is the world’s biggest exporter of the fiber and has been supplying cotton to China for almost a decade.  
US automakers and US aircraft giant Boeing Co, which have targeted China as a key growth market, are also slated to be hit by the bruising tariffs.  
US auto giant Ford Motor Co sold 338,386 vehicles in China in the first five months this year, around one-third the number in the US. It had welcomed a Chinese plan to lower tariffs on auto imports, and had even planned to cut prices of its imported Lincoln brand of vehicles.  
That may be in jeopardy now as a higher import tax is due to be imposed on gas-powered and electric vehicles.  
Wei Jianguo, former vice-minister of commerce, said this move, once it takes effect, will further push US automobile manufacturers out of the Chinese market, as vehicles from Germany, Sweden, France and Japan have already taken the majority of the country’s medium and high-end vehicle market.  
US automakers may miss the golden chance to expand their footprint in China, if the Trump administration sticks to trade protectionism and keeps undermining free trade, said Wei.  
“It is a rare phenomenon that the US is not only having trade disputes with China but also with its allies in the European Union and North America. It appeared that the US is challenging the international trade system which it led to build after World War II,” said Tu Xinquan, director of the China Institute for WTO Studies at the University of International Business and Economics.  
Because the manufacturing industrial structure of the US and EU is fairly similar, it is unnecessary for China to import more vehicles, passenger aircraft and agricultural products from the US under the current circumstances, he said.  
Denis Depoux, chief executive officer of Roland Berger China, said bilateral trade tensions have a negative effect on the whole economy, as they create uncertainty, will reduce trade flows and disrupt well established and efficient supply chains.  
Even more importantly, in many sectors targeted by tariffs such as semiconductors, he said non-European companies including those from Japan or South Korea can also yield higher benefits. And this will only reinforce the determination of the Chinese government and companies to become more independent of global supply chains.  
Contact the writers at zhongnan@chinadaily.com.cn

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