

country's spectrum resources, strengthen management over the radio-frequency spectrum, and safeguard security and order with respect to radio waves. We will make appropriate plans for utilizing satellite frequencies and orbital resources. We will **accelerate the development of the internet in space and work to achieve interconnectivity between terrestrial and space-based facilities.**<sup>1465</sup>

On the occasion of this 70th anniversary of the founding of the PRC, the Chinese government published a white paper "**China and the World in the New Era**" in September 2019.

China has made remarkable progress in technology. Significant achievements such as nuclear bombs, ballistic missiles, **manmade satellites, manned spaceflight**, super hybrid rice, supercomputers, synthetic bovine insulin, artemisinin, and high-speed rail, have provided strong support for social and economic development.<sup>1466</sup>

We have strengthened international exchanges and cooperation in energy, food and network security, and in the polar regions, **outer space** and the oceans.<sup>1467</sup>

### 8.7.15 Textiles

General Administration of Customs of the People's Republic of China (GACC) issued a Paper dated January 14, 2020 titled "Review of China's Foreign Trade in 2019", which stated that over the period, exports across seven categories of labor-intensive products including textile and apparel grew by 6.1% to RMB3.31 trillion, making up 19.2% of the total.<sup>1468</sup>

**Part XI All-Around Opening Up, Chapter 49 Improve the Strategy for Opening Up, Section 2 International Cooperation on Production Capacity and Equipment Manufacturing of The 13th Five-Year Plan For Economic And Social Development Of The People's Republic Of China (2016–2020)**, it has been mentioned that:

We will encourage more of China's equipment, technology, standards, and services to go global by engaging in international cooperation on production capacity and equipment manufacturing through overseas investment, project contracting, technology cooperation, equipment exporting, and other means, with a focus on industries such as steel, nonferrous metals, building materials, railways, electric power, chemical engineering, **textiles**, automobiles, communications, engineering machinery, aviation and aerospace, shipbuilding, and ocean

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<sup>1465</sup> Excerpts from Chapter 25 titled "Build Ubiquitous, Efficient Information Networks" in PART VI "The Cyber Economy" of the 13th Five-Year Plan For Economic And Social Development of The People's Republic of China (2016–2020), Pg 72, available online at URL:

[https://en.ndrc.gov.cn/policyrelease\\_8233/201612/P020191101482242850325.pdf](https://en.ndrc.gov.cn/policyrelease_8233/201612/P020191101482242850325.pdf)

<sup>1466</sup> Excerpts from China's State Council Information Office White paper, titled "China and the World in the New Era" published on September 27, 2019, Pg 04, available online at URL:

[http://english.www.gov.cn/archive/whitepaper/201909/27/content\\_WS5d8d80f9c6d0bcf8c4c142ef.html](http://english.www.gov.cn/archive/whitepaper/201909/27/content_WS5d8d80f9c6d0bcf8c4c142ef.html)

<sup>1467</sup> Excerpts from China's State Council Information Office White paper, titled "China and the World in the New Era" published on September 27, 2019, Pg 26, available online at URL:

[http://english.www.gov.cn/archive/whitepaper/201909/27/content\\_WS5d8d80f9c6d0bcf8c4c142ef.html](http://english.www.gov.cn/archive/whitepaper/201909/27/content_WS5d8d80f9c6d0bcf8c4c142ef.html)

<sup>1468</sup> Excerpts from General Administration of Customs of the PRC (GACC) Paper dated January 14, 2020 titled "Review of China's Foreign Trade in 2019", available online at URL:

<http://english.customs.gov.cn/Statics/f63ad14e-b1ac-453f-941b-429be1724e80.html>

engineering. We will set up a repository for production capacity cooperation projects and promote major demonstration projects. We will guide enterprises in participating in international markets in ways that utilize their group advantage, and develop industrial clusters overseas suitable to local conditions. We will move faster in expanding bilateral and multilateral cooperation mechanisms on production capacity and actively work with developed countries to jointly explore third party markets. We will put in place mechanisms to facilitate overall coordination and communication that involve the participation of enterprises, financial institutions, local governments, chambers of commerce, and industry associations. We will improve services such as taxation, finance, insurance, investment and financing platforms, and risk assessment to support efforts in this regard.<sup>1469</sup>

According to Xinhua news, China's textile sector reported stable development in the first 11 months of 2019, data from the National Development and Reform Commission showed. Value-added output of enterprises above designated size rose 2.5 percent year on year, with output in the sub-sectors of fibre, industrial textiles and garment up 11.8 percent, 7.1 percent and 1 percent, respectively, according to the commission. Domestic retail sales of apparel and knitwear stood at 1.2 trillion Yuan (about 172.4 billion U.S. dollars), up 3 percent year on year. Online garment sales continued to expand nationwide, with the turnover reporting a 16.5-percent yearly growth and new sales modes such as live video streaming attracting consumers, the data showed. From January to November 2019, China's textile and garment export declined 2.6 percent year on year to 246.9 billion dollars, with the pace of drop decelerating 0.1 percentage point from one month earlier. Textile firms over designated size generated combined operating revenue of 4.03 trillion Yuan from January to October 2019, up 0.2 percent year on year, while the total profit dropped 8.7 percent year on year to 168.8 billion Yuan.<sup>1470</sup>

As per China Daily News Item titled "China's textile, garment exports up 2.8% in May", China's export of textiles and garments rose 2.8 percent year-on-year to \$23.8 billion in May, according to China's **Ministry of Industry and Information Technology (MIIT)**. In breakdown, the country's export of textiles stood at \$11.6 billion, up 3.9 percent from the same period last year, while garments rose 1.7 percent to \$12.2 billion, the ministry said, citing data from the General Administration of Customs. In the first five months of the year, textiles and garments export dropped by 2.2 percent year-on-year to \$99.6 billion, the MIIT said. China's export of textiles was \$48.3 billion during the January-May period, up 1.5 percent compared to a year ago, while that of garments saw a 5.5 percent decline to \$51.3 billion.<sup>1471</sup>

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<sup>1469</sup>PART XI ALL-AROUND OPENING UP, Chapter 49- Improve the Strategy for Opening Up, Section 2- International Cooperation on Production Capacity and Equipment Manufacturing of THE 13TH FIVE-YEAR PLAN FOR ECONOMIC AND SOCIAL DEVELOPMENT OF THE PEOPLE'S REPUBLIC OF CHINA (2016–2020), Pg 142, available online at URL:

[https://en.ndrc.gov.cn/policyrelease\\_8233/201612/P020191101482242850325.pdf](https://en.ndrc.gov.cn/policyrelease_8233/201612/P020191101482242850325.pdf)

<sup>1470</sup> Xinhua News Item dated January 5, 2020 titled "China's textile industry posts stable growth" available online at URL: [http://www.xinhuanet.com/english/2020-01/05/c\\_138679426.htm](http://www.xinhuanet.com/english/2020-01/05/c_138679426.htm)

<sup>1471</sup> China Daily News Item updated on June 24, 2019 titled "China's textile, garment exports up 2.8% in May", available online at URL: <http://global.chinadaily.com.cn/a/201906/24/WS5d106bdaa3103dbf14329e34.html>

**Status: China is a developing Country**  
**China became member of WTO on 11 December 2001.**<sup>1472</sup>

Recording Economy	Product/Sector	Partner Economy	2013	2014	2015	2016	2017	2018
China	SI3_AGG - MATE - Textiles	World	106,578	111,664	108,934	104,605	109,595	118,526
	SI3_AGG - MACL - Clothing	World	177,435	186,613	174,573	158,180	157,464	157,848

Source: WTO DATA

URL: <https://timeseries.wto.org/>

### **China Textile Academy (CTA)**

China Textile Academy (CTA) was founded in 1956 as an affiliated institute to the former Ministry of Textile Industry. CTA was later transformed in 1999 as a state-owned large-size high-tech enterprises group under the direct leadership of the central government. In the year of 2009, CTA merged into the China General Technology Group and became a subordinate company of the Group.

CTA is the largest comprehensive research institute in China's textile industry, the National Engineering Research Center of Synthetic Fiber, the National Engineering Research Center of Industrial Textile and State Key Laboratory of Bio-based Fiber Manufacturing Technology are all affiliated to CTA. CTA has served as the leading entity and secretariat for Strategic Alliance for Technology Innovation in Fiber Industry as approved by The Ministry of Science and Technology. Furthermore, CTA has undertaken and fulfilled the programs of innovation and service infrastructure for textile technology, including Shaoxing Innovation and Service Infrastructure for Textile Industry and Innovation and Service Infrastructure for Textile Standard and Testing. CTA owns some important public resources to serve the whole industry, such as the Productivity Promotion Center of Textile Industry, China National Textiles Supervision Testing Center, Standardization Institute of Textile Industry and China National Textile Metrology Station.

CTA has always stayed with the principle of promoting and guiding the development of China's textile industry by providing strong support in science and technology since its foundation. It has become the leading power in motivating the technological advancement, transforming and upgrading of textile industry. In recent years, CTA has deepened and strengthened its reform and has built up a two-level (group and sub-company) R & D system. The R & D system now has a highly innovative research team with a high level of academic record and is led by a group of excellent professionals with a rich wealth of industrial experience. CTA mainly focused its R & D pursuit on the common, key and future-oriented technologies in the industry and has undertaken a great number of state key projects. CTA has made a serious of significant breakthrough in some key technologies and won more than 200 national and ministerial awards of science and technology advancement. CTA has established an efficient cooperation

<sup>1472</sup> China as WTO Member, [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/org6\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm)

mechanism with enterprises and universities to jointly motivate the innovation and promote the industrialization of scientific achievement. CTA has been providing extensive services for the whole industry and cluster region by providing technical consultancy in textile standards, metrology, testing, certification and so on. CTA has three core business areas: equipment manufacturing and engineering service for textile and chemical fiber, high-tech textile material, textile chemical and bio-technology. With the constantly technical modification, technical innovation and expansion of its production capability, CTA has maintained a strong developing momentum in terms of its core competitiveness and market share both nationally and internationally in recent years. As a result, CTA's overall reputation is consistently strengthened within the industry. In 2008, CTA received an honourable award of being nominated as the Innovative Enterprise by the Ministry of Science and Technology, State-Owned Assets Supervision and Administration Commission of State Council (SASAC) and the All-China Federation of Trade Union (ACFTU) etc.

In the process of more than 50 year's development, CTA has not only established very close cooperation and extensive contact with some important textile enterprise and universities nationwide, but also established and maintained successful relationship of exchange and cooperation with UN, as well as almost 100 prestigious companies, universities and research institutes in about 20 countries, realizing the win-win development with cooperative partners.

Looking to the future, CTA will continue to strive in improving the Chinese textile industry with its strong technical force. CTA's goal is to become the top developing base of textile technology and high-tech enterprises group worldwide, and make great contribution towards transforming China's textile industry into one of the textile power in the world.<sup>1473</sup>

Xinhua News dated November 22, 2017 titled "China's textile industry turns to biomass fiber", reported that textile companies have long been dependent on crude oil when making common synthetic materials such as nylon or polyester but that could soon change, with companies turning to biomass fibers. Hismer Bio-Tech, based in Ningyang county, Tai'an city in East China's Shandong province, is making biomass fiber from a very unusual source: shrimp and crab shells.

In the backyard of the company's workshop, piles of shrimp and crab shells permeate the air with their strong odour. But after going through the company's processing machine, the shells are turned from food waste to chitosan fiber, basically indistinguishable from other synthetic fibers. "The biomass fiber can wean textile companies' off their reliance on crude oil," said Hu Guangmin, Hismer's chair. Hu said Hismer collects 10,000 metric tons of the shell waste from seafood processing companies in China's ports of Qingdao, Yantai, Dalian and Ningbo a year for the production of some 6,000 tons of biomass fiber. It has become the world's largest marine renewable producer.

The fibre is then used by a variety of garment producers. When fashion lovers buy a stylish anti-bacterial underwear from lingerie producer Embry Form, they could hardly link it to shrimp and crab shells. The fabric is not only used for making socks, underwear,

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<sup>1473</sup> China Textile Academy (CTA), information available online at URL: <http://www.cta.com.cn/app.php/About/aboutas.html>

bedding but also medical products such as masks and sanitary pads as well as special cloth used in aerospace planes, Hu said. He said innovation has saved the textile company from going bankrupt. The factory had trouble in business due to rising cost at home and stagnant export market. Hu said the company of 800 employees had to lay off some 200 people when the business was bad.

Five years ago, the textile producer placed its bet on developing the production technology and equipment for making the biomass material. Hu said Hismer has set up production cooperation with 70 companies including Toyota and German firms of Freudenberg and Medovent for developing fabric products for medical use. It also makes product development in partnership with Taiwan-based tech firm BenQ and Hong Kong-based lingerie producer Embry Form. Hu said in the past, there were 500 workers in its yarn spinning workshop. However, the current production only requires 75 workers, as most processing is done by automated equipment.

The company has developed materials used in China's "Shenzhou" manned spacecraft and "Tiangong" space lab, as they are mildew-proof and resistant to fire, static electricity and odor. Hismer is not the only company introducing innovation to China's textile industry. BMSG, a bio seaweed substance processing firm, has been turning seaweed into biomass fibers for cloth that can be safely used for surgical dressings. "A ton of seaweed can be bought for just 8,000 Yuan (\$1,207). However, after turning into fabric sodium alginate, it is 80,000 Yuan per ton. If further processed into surgical dressing, it is worth 2.4 million Yuan," said Xu Yuqiang, secretary of the board of the BMSG, based in Qingdao, Shandong province.

Jiang Shicheng, a member of Chinese Academy of Engineering, said that the development of biomass textile materials is still at an initial stage, but it is the future of textiles. Only when a new material industrial cluster has taken shape, can it bring vitality to the overall industry, Jiang added. Sun Ruizhe, director of the China National Textile and Apparel Council, was also positive about the future of biomass materials, saying that green textile products have become the new trend in the textile industry. Textile producers should develop environmentally friendly textile materials and make the whole production process pollution free, he said.<sup>1474</sup>

Since 1995, China has been the world's largest textile and apparel exporter. In 2005, China's share of global trade in textiles and apparel products reached 24 percent. Its large market share demonstrates the present competitiveness of China's textiles and apparel industry, 95 percent of which is now privately owned. This competitiveness is all the more remarkable in that it arose out of a period when the entire industry was on the edge of bankruptcy and underwent a painful restructuring program in the late 1990s that was funded by the Chinese government.

Between 1997 and 2000, under the direction and support of the central government, the industry scrapped 110 million outmoded cotton spindles, 280,000 wool spindles and one million silk spindles. As many as 1.4 million workers were laid off as a result. The government provided RMB 3.1 billion in public funds to the industry in the form of grants

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<sup>1474</sup> Xinhua News Item dated November 22, 2017 titled "China's textile industry turns to biomass fiber", available online at URL: [https://www.chinadaily.com.cn/business/2017-11/22/content\\_34859576.htm](https://www.chinadaily.com.cn/business/2017-11/22/content_34859576.htm)

or tax forgiveness to facilitate its restructuring. Large quantities of foreign advanced textile and apparel equipment were imported to upgrade the technological level of the industry. A total of USD \$18.9 billion was spent for this purpose in the five years following 2000. These measures, together with the improvement of the general economic situation in China, turned the industry into the world's largest exporter of textiles and apparel products.

2006 was a year for strategic planning in China. Besides the catchall 11th 5-Year Guideline, several industry-specific development strategies were drafted. Early in April 2006, the State Development and Reform Commission (SDRC) released the Notice on Several Opinions on Accelerating Restructuring to Facilitate the Upgrading of the Textile Industry, which calls for further restructuring and technological upgrading of the industry. Again in July 2006, several State Council Ministers jointly issued the Circular on Relevant Policies to Promote Chinese Textile Industry to Shift to New Ways of Growth in Foreign Trade and Support Chinese Textile Enterprises to Go Global. This notice expressly promises to provide funds to assist Chinese textile enterprises to conduct technological innovation; to develop overseas textile industrial parks; and to assist the textile companies to establish overseas production bases.

The 11th 5-Year Plan for the Textile Industry, issued by the State Development and Reform Commission in June 2006, lays out a comprehensive development strategy for the industry. Three policy objectives listed in the Plan are regarded as key to maintaining the competitiveness of the industry. These are enhancing the industry's independent innovation capacity, and developing brand names on the world market; optimizing the industrial structure and upgrading the technologies and equipment of the industry; and restricting inefficient, polluting, and energy-wasteful manufacturing facilities. The Plan also calls for industry revenues to increase from RMB 3.3 trillion in 2005 to RMB 6 trillion in 2010.

In all these plans, technology and innovation capacity development were given the highest priority. The Circular on Relevant Policies to Promote Chinese Textile Industry to Shift to New Ways of Growth in Foreign Trade and Support Chinese Textile Enterprises to Go Global expressly authorized the allocation of government funds to support technology innovation. Reportedly, a special fund was established in 2006 in accordance with this notice, with RMB 560 million dedicated to projects related to technology innovation purposes. It has also been reported that local governments are providing loan interest subsidies to support technological innovation projects. Zhongshan City, for example, has provided loan interest subsidies that cover 30-40 percent of the actual interest payments on loans.

The building of brand names is another priority for government support to the textiles and apparel industry. The government has launched a campaign titled "Ten Thousand Miles March for Brand Building," under which companies whose brand names are certified as "famous" will be given free media publicity. Public funds are awarded to cover part of the brand-building expenditures. Local government assistance for brand name building is also available to textiles and apparel companies. For instance, Ningbo City, home to several leading textile manufacturers, has been providing awards to companies that export textiles and apparel products under their own foreign-registered brand names.

**WTO** agreements generally prohibit export subsidies and import substitution subsidies and allow Members to seek recourse in the WTO (or through countervailing duty cases) regarding specific subsidies that cause adverse effects (material injury to a domestic industry for a countervailing duty case). The WTO Agreement on Subsidies and Countervailing Measures also obliges Members to notify the SCM Committee of existing government support programs. China submitted its first SCM Notification in April 2006, listing 78 government subsidy programs. Many of the notified programs are potentially usable by the textiles and apparel industry.

A number of China’s trading partners (including both the United States and Mexico) have filed requests for consultations with China concerning some of its notified subsidy programs that are relevant to the textiles and apparel industry. Such programs include tax policies that favor purchasing domestic equipment, tax and social welfare payment benefits conditioned on export performance, export awards, and export loan interest subsidies.<sup>1475</sup>

### **Current Situation of China-ASEAN Textile Industry Trade Based on the Belt and Road Initiative**

China proposed the “Belt and Road” initiative in 2013, which has been widely supported by the countries along the route. Textile raw materials and textiles play an important role in the economic development of China and ASEAN countries. With the construction and development of the CAFTA, the trade in textile raw materials and textiles between China and ASEAN has developed rapidly. Exemplified with related trade data of China and ASEAN from 2007 to 2017, the paper analyses the current situation of bilateral textile trade and the development of intra-industry trade, and gives some suggestions on how to further develop China - ASEAN intra-industry trade under the “Belt and Road” initiative.<sup>1476</sup>

### **China Textiles exports and imports By Country 2017<sup>1477</sup>**

Country	2017 (Thousand US\$)			
	Exports	Exports Product Share %	Imports	Imports Product Share %
USA	45497319.89	10.57	1911273.35	1.24
Japan	20421583.30	14.88	2789158.20	1.68

<sup>1475</sup> CHINA’S SUPPORT PROGRAMS FOR SELECTED INDUSTRIES: TEXTILES AND APPAREL, Trade Lawyers Advisory Group LLC (2007), available online at URL:

<https://www.uscc.gov/sites/default/files/Research/TLAG%20Report%20-%20China's%20Support%20Program%20for%20Textiles%20and%20Apparel.pdf>

<sup>1476</sup> <http://www.texleader.com.cn/en/summary/5942.html>

<sup>1477</sup> World Integrated Trade Solution (WITS) , 2017

<https://wits.worldbank.org/CountryProfile/en/Country/CHN/Year/2017/TradeFlow/EXPIMP/Partner/by-country/Product/Textiles>

<b>Vietnam</b>	<b>13390287.16</b>	<b>18.70</b>	<b>3699145.08</b>	<b>7.34</b>
<b>Hong Kong, China</b>	<b>13113571.29</b>	<b>4.70</b>	<b>128838.81</b>	<b>1.76</b>
<b>UK</b>	<b>10334899.57</b>	<b>18.22</b>	<b>267898.67</b>	<b>1.20</b>
<b>India</b>	<b>4508157.95</b>	<b>6.63</b>	<b>1776301.94</b>	<b>10.87</b>

Source: World Integrated Trade Solution (WITS), 2017

URL: <https://wits.worldbank.org/CountryProfile/en/Country/CHN/Year/2017/TradeFlow/EXPIMP/Partner/by-country/Product/Textiles>

#### China Textiles Exports and Imports By Country 2018<sup>1478</sup>

Country	2018 (Thousand US\$)			
	Exports	Exports Product Share %	Imports	Imports Product Share %
<b>USA</b>	<b>49178715.43</b>	<b>10.25</b>	<b>1969548.16</b>	<b>1.26</b>
<b>Japan</b>	<b>20991660.59</b>	<b>14.26</b>	<b>2793380.62</b>	<b>1.55</b>
<b>Vietnam</b>	<b>16160064.62</b>	<b>19.23</b>	<b>4350599.80</b>	<b>6.79</b>
<b>Hong Kong, China</b>	<b>12509095.52</b>	<b>4.13</b>	<b>145159.16</b>	<b>1.70</b>
<b>Russian Federation</b>	<b>9369204.68</b>	<b>19.52</b>	<b>19453.36</b>	<b>0.03</b>
<b>India</b>	<b>4606839.85</b>	<b>5.99</b>	<b>2079245.92</b>	<b>11.03</b>

Source: World Integrated Trade Solution (WITS), 2018

URL: <https://wits.worldbank.org/CountryProfile/en/Country/CHN/Year/2018/TradeFlow/EXPIMP/Partner/by-country/Product/Textiles>

<sup>1478</sup>World Integrated Trade Solution (WITS) , 2018

<https://wits.worldbank.org/CountryProfile/en/Country/CHN/Year/2018/TradeFlow/EXPIMP/Partner/by-country/Product/Textiles>



## China: Agriculture production Basic conditions and sown area of Farm Crops

Item	2000	2010	2015	2017	2018
Total Agricultural Machinery Power (10 000 kw)	52573.6	92780.5	111728.1	98783.3	100371.7
Number of Large and Medium-sized Agricultural Tractors (10 000 units)	97.5	392.2	607.3	670.1	422.0
Number of Small Tractors (10 000 units)	1264.4	1785.8	1703.0	1634.2	1818.3
Number of Large and Medium-sized Tractor Towing Farm Machinery (10 000 units)	140.0	612.9	962.0	1070.0	422.6
Small Tractor Towing Farm Machinery (10 000 units)	1788.8	2992.5	3041.5	2931.4	
Number of Diesel Engines (10 000 units)	688.1	946.3	939.9	930.2	
Irrigated Area of Cultivated Land (1 000 hectares)	53820	60348	65873	67816	68272
Consumption of Chemical Fertilizers (10 000 tons)	4146.4	5561.7	6022.6	5859.4	5653.4
Electricity Consumed in Rural Areas (100 million kwh)	2421.3	6632.3	9026.9	9524.4	9358.5
Total Sown Area (1 000 hectares)	156300	157350	166829	166332	165902
Grain Crops	108463	111695	118963	117989	117038
Cereal	85264	92621	103225	100765	99671
Rice	29962	30097	30784	30747	30189
Wheat	26653	24459	24596	24508	24266
Corn	23056	34977	44968	42399	42130
Beans	12660	11053	8433	10051	10186
Tubers	10538	8021	7305	7173	7180
Oil-bearing Crops	15400	13695	13314	13223	12872
Cotton	4041	4366	3775	3195	3354
Fiber Crops	262	91	54	58	57
Sugar Crops	1514	1809	1573	1546	1623
Tobacco	1437	1309	1254	1131	1058
Vegetables	15237	16201	19613	19981	20439
Area of Tea Plantations (1 000 hectares)	1089	1932	2641	2849	2986
Area of Orchards (1 000 hectares)	8932	10681	11212	11136	11875

Source: 12-1: Agriculture production Basic conditions and sown area of Farm Crops, **China Statistical Yearbook 2019**, available online at URL: <http://www.stats.gov.cn/tjsj/ndsj/2019/indexeh.htm>

Excerpts from **New York Times News** item captioned **“Italy, Pandemic’s New Epicenter, Has Lessons for the World”** dated **March 21, 2020** mentions that the Covid virus had already been active in Italy for weeks by that time, experts now say, passed by people without symptoms and often mistaken for flu. It spread around Lombardy, the

Italian region that has by far the most trade with China and the home of Milan, the country's most culturally vibrant and business-centered city.<sup>1479</sup>

### **8.7.16 Transport**

The State Council Information Office published a White Paper in December 29, 2016 captioned “**Development of China’s Transport**” on the development of China’s Transport. Contents of the papers are Preamble; Course of Development; Comprehensive Transport System, Playing a Basic, Pioneering and Serving Role, Opening up and International Cooperation, Development Goals for the Next Five Years and Conclusion. Excerpts of this white paper are below:

#### **Preamble**

China intends to complete the building of a moderately prosperous society in all respects by 2020, which is the first of its Two Centenary Goals. For this end, transport should quicken its pace of development, and fully play its basic, pioneering and serving role as a vanguard and solid guarantee for completing the building of a moderately prosperous society in all respects.

#### **I. Course of Development**

When the PRC was founded in 1949, transport was underdeveloped. Total railway length was only 21,800 km, half of which was paralyzed. Highway traffic length was only 80,800 km, and civil automobiles numbered only 51,000. Inland waterways were undeveloped, and only 12 civil air routes were operative. Postal outlets were limited. The major means of transport were animal-drawn vehicles and primitive boats.

Following the founding of the PRC, the Chinese government decided to create the basic conditions to restore transport. During the economic recovery period (1949-1952) damaged transport facilities were repaired, and water, land and air transport were resumed. In 1953 China began to develop transport in a planned way. During the First (1953-1957) and Second (1958-1962) Five-Year Plan periods and the economic adjustment period (1961-1965) China tilted state investment in support of transport.

During the Cultural Revolution (1966-1976), transport was seriously disturbed, but facilities, equipment and routes kept increasing; in view of the severe delays in unloading and trans-shipment, and overstocking at major coastal ports, port infrastructure construction was accelerated; and pipeline transport developed.

The reform and opening-up policy adopted in 1978 ushered in a new stage of social and economic development, bringing about the rapid development of transport. China implemented the contract responsibility system in railway operation; issued three policies for supporting highway development, namely, raising highway maintenance fee levied on highway users, collecting vehicle purchase tax, and building highways with loans and repaying the loans with tolls. Highway construction and water transport

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<sup>1479</sup> Excerpts from The New York Times News Item dated March 21, 2020 titled “Italy, Pandemic’s New Epicenter, Has Lessons for the World” written by Jason Horowitz, Emma Bubola and Elisabetta Povoledo, available online at URL: <https://www.nytimes.com/2020/03/21/world/europe/italy-coronavirus-center-lessons.html?auth=linked-google>