

U.S. China Trade Relations

1990 Institute

July 27, 2019

Darlene Chiu Bryant

Disclaimer

- * Today's conversation and class content does not represent any third party or position other than that of the presenter.
- * The purpose of today's class is to understand the context of US-China Trade Relations and hopefully walk away with a more open-minded view of current events.

What do you know about China?

1. Who founded modern day China?
2. Who is known for starting the CPC (Communist Party)
3. Xi Jinping is...
4. Deng Xiaoping ...
5. The Opium War was fought with ...
6. Huawei is ...
7. SOE is ...
8. Princeling is...
9. Manufacturing capital of China is...
10. China's population is...
11. What is PRC vs ROC

What do you know about China?

1. Sun Yat-sen founded modern day China
2. Mao Zedong was Chairman of the Communist Party of China
3. Xi Jinping is China's president
4. Deng Xiaoping "opened" China
5. The Opium War was fought with England
6. Huawei is the "Cisco/NorTel/Lucent" of China
7. SOE is a State Owned Enterprise
8. Princeling is a second generation of first generation enterprise founders and/or politicians/bureaucrats
9. Manufacturing capital is in Guangdong Province
10. China's population is 1.4 billion as of July 2018
11. PRC is for the People's Republic of China, ROC is Republic of China, Taiwan

What do you know about US China trade?

- * When did US China relations normalize? Starting with which US President?
- * The US market accounts for what percentage of China exports?
- * Who is the largest trading partner for China?

What do you know about US China trade?

- * U.S. China relations started to normalize in 1972, starting with President Nixon's first trip to China, highlighting China's way of foreign diplomacy referred to as ping pong diplomacy.
- * The US market accounts for 20% of China's exports.



California's Trade with China

- * In 2018, California imported total goods valued at \$441.1 billion:
 - * China was the largest source of imports at \$161.1 billion
 - * Mexico at \$44 billion
 - * Japan at \$33.6 billion and
 - * Canada at \$27 billion. *

- * California exported a total of \$26.2 billion in products to China including Hong Kong.*

What does California export to China?

- * California's top 5 product exports to China (only) include: Computer and electronic products (\$4.1 billion), machinery except electrical (\$2.4 billion), transportation equipment (\$1.5 billion), chemicals (\$1.4 billion), and waste and scrap (\$1.3 billion).*
- * California's top export to China is service export, accounting for \$9.1 billion in 2016 alone, supporting **61,349 jobs**.*

FDI: Foreign Direct Investment

- * In 2015, China's outward investment into the US was \$14.8 billion, vs US to China at \$74.6 billion.
- * In 2016, China's FDI to US totaled \$46.5 billion
- * In 2017, Canada is the biggest source of FDI into the USA with \$66.2 billion, followed by the United Kingdom, Japan and France.
- * In 2018, China FDI to US dropped to \$5.4 billion
- * By April of this year, a slight uptick from China was estimated to be at \$2.8 billion

Looking back into History

- * American ships sailed from the US ports to China since 1784.
- * The Opium War took place in 1842 when China refused to allow imports of US and British opium. China losing the war led to the 99 year lease of Hong Kong to Great Britain.

China's Economic Growth

- * Open Door Policy
- * Special Economic Zones
- * Foreign Trade Zones
- * Belt and Road
- * Greater Bay Initiative

Chinese Global Companies



Case Study

Huawei...

Q&A and Thank You!

Darlene Chiu Bryant
Executive Director, GlobalSF
dchiubryant@globalsf.biz
www.globalsf.biz