Hao Wei[1]

CHINA'S IMPORTS AND ITS INTERDEPENDENCE WITH ITS TRADE PARTNERS

The paper explores the structure of Chinese imports and conducts a comparative analysis on the interdependence of China and its 16 major trade partners. The research demonstrates that between 2000 and 2010, the share of low-tech product imports experienced the greatest decline, while the share of mid-tech product imports showed the greatest growth. Both developed and developing countries exhibited increasing export dependence on China. Compared with other developing countries, China was greatly dependent on the developed countries for its imports with the exception of non-resource primary products. China had always been dependent on Japan, the USA, Germany, and South Korea for mid- and high-tech products. Asian Pacific countries exhibited greater dependence on China than on other countries and regions for their exports. Japan and Korea were more export-dependent on China than China was import-dependent on them, while conversely, the USA and Germany were less export-dependent on China than China was import-dependent on them.
Keywords: *import; commodity structure; interdependence; China.*

Хао Вей

ІМПОРТНА ВЗАЄМОЗАЛЕЖНІСТЬ КНР ТА ЇЇ КЛЮЧОВИХ ТОРГОВЕЛЬНИХ ПАРТНЕРІВ

У статті детально проаналізовано структуру імпорту КНР, порівняння проведено для 16 основних торговельних партнерів Китаю. Часовий період дослідження – з 2000 по 2010 роки. Найбільший спад за даний період спостерігається для імпорту низькотехнологічних товарів, найбільше зростання – для групи середньотехнологічних товарів. Протягом 10 років усі торговельні партнери посилювали власну імпортозалежність від КНР. За виключенням категорії несировинних первинних продуктів, КНР залежить переважно від розвинених країн, ніж від тих, що розвиваються. Для категорій високо- та середньотехнологічних товарів КНР демонструє значну залежність від Японії, США, Німеччини та Південної Кореї. Серед всіх досліджених країн найбільш залежні від Китаю країни Азіатсько-Тихоокеанського регіону. Японія та Південна Корея демонструють досить значну експортозалежність від КНР, Китай виявляє зворотну значну імпортозалежність від цих країн. Аналогічна взаємозалежність для пар КНР-США та КНР-Німеччина не спостерігається, при цьому залежність імпорту КНР набагато потужніша за експортозалежність даних країн.
Ключові слова: *імпорт; товарна структура; взаємозалежність; Китай.*
Табл. 4. Форм. 3. Літ. 14.

Хао Вей

ИМПОРТНАЯ ВЗАИМОЗАВИСИМОСТЬ КНР И ЕЁ КЛЮЧЕВЫХ ТОРГОВЫХ ПАРТНЁРОВ

В статье детально проанализирована структура импорта КНР, сравнение проведено по 16 основным торговым партнёрам Китая. Временной отрезок исследования – 2000–2010 годы. Наибольший спад пережил импорт низкотехнологичных товаров, наибольший рост – группа среднетехнологичных товаров. В течение 10 лет как развитые, так и развивающиеся страны усиливали свою импортозависимость от Китая. За исключением категории несырьевых первичных продуктов, КНР в гораздо большей степени зависит от развитых стран, чем от развивающихся. Для категорий высоко- и среднетехнологичных товаров КНР демонстрируют значительную зависимость от Японии, США, Германии и Южной Кореи. Среди всех стран в исследовании наиболее

[1] Business School, Beijing Normal University, China.

зависимы от Китая страны Азиатско-Тихоокеанского региона. Япония и Южная Корея демонстрируют наивысшую экспортозависимость от КНР, Китай же выявляет обратную значительную импортзависимость от данных стран. Аналогичная взаимозависимость для пар КНР-США и КНР-Германия не наблюдается, при этом зависимость импорта Китая намного значительней экспортозависимости данных стран.
Ключевые слова: *импорт; товарная структура; взаимозависимость; Китай.*

1. Introduction

China imported 1.82 trln USD of goods in 2012, 6 times more against 2002, thus becoming the world's second largest importer. It is well known that China's imports have increased significantly, this increase has given rise to several questions. What are China's major import commodities? What are the major sources of different types of imported goods? How interdependent are China's imports and its sources of imports? There are no definitive answers to these questions as so far. Only by knowing the major categories of China's imported commodities can we determine whether importing these types of goods meets the needs of China's economic development, China's industrial restructuring and consistent with China's policies. We must identify the structure and interdependence of China's sources of imports, especially the import sources of critical goods, so we can develop more effective import strategies, take more initiative at import markets, ensure the stability of imports, prevent the interruption of imports and reduce the associated costs.

First, the paper establishes a new framework for analyzing the structure of imported goods while improving the existing analytical framework. Next, the study investigates the country structure of Chinese imports based on the analytical framework and conducts a comparative analysis on the interdependence between China and its 16 major trade partners.

2. The establishment of the analytical framework

At present, Chinese researchers as well as the researchers from other countries have conducted numerous studies on the technical structure of commodities from which two major analytical frameworks and research methods are identified.

2.1. Fixed standard classification. The most basic fixed standard classification approach is based on the standards established by the Standard International Trade Classification (SITC), Customs Coding System (HS), Broad Economic Categories (BEC) and other agencies. Obtaining trade statistics of the coded commodities from all or several industries and adding up the annual data will lead to the commodity structure of a nation's foreign trade. Schott (2008) adopted the SITC classification when studing the relative complexity of Chinese exports.

Based on the basic fixed standard classification, some economists have classified industries by certain criteria and constructed analytical frameworks for studying foreign trade commodity structure. Among these, the most representative classification method is that of Lall (2000), who divides over 230 types of export commodities into 5 categories – primary products (PP), resource-based products (RB), low-tech manufactures (LT), mid-tech manufactures (MT) and high-tech manufactures (HT) – according to the factor inputs of different commodities, related technical indicators and industrial and technical knowledge (Yao Yang, Zhang Linfeng, 2008; Wei Hao, Wang Luxi, Li Chong, 2011).

2.2. Revealed technological value-added classification. Revealed technological value-added classification assigns each product a technology-added value and classifies commodities by their added values. The difference among many methods of calculating technology-added value lies in value assignment (Michaely, 1984; Guan Zhixiong, 2002; Fan Gang et al., 2006; Du Xiuli et al., 2007; Lall et al., 2006; Hausman et al., 2007; Bin Xu, 2007).

Studying the import and export commodity structure using the given two methods enables better understanding of the overall structure of world trade and trade structure of various nations. However, the two methods do have certain shortcomings.

1. Although SITC, HS, BEC and other fixed standard classification methods classify various commodities, they lack the ability to distinguish the technical attributes of goods. Building a relatively complete analytical framework, Lall's (2000) classification approach distinguishes technical attributes of goods, though his system is more subjective than the scientific one. Moreover, as Lall (2000) classifies goods based on the 3-digit SITC code, the method is so macroscopic that it misses the delicate features of commodities. In a time when international trade is transforming from inter-industry and intra-industry trade into intra-product trade, a more refined method of commodity classification is needed.

2. Revealed technological value-added classification compensates for the subjectivity of Lall's method, but it puts technical labels on all goods to classify goods according to the value of technical labels. While this approach is inconsistent with reality, it can be applied to industrial products with distinctive technical characteristics but not to those with less distinctive features, particularly resource-based products and metal products. As products of less distinctive technical attributes are not classified or removed from extant research, the accuracy of statistical analysis is affected. For example, if revealed technological value-added is a value assignment index weighted by the export share of various countries in the world exports, resource-based products of high-income countries will be labeled as possessing more technical content, which is inaccurate. With regard to country's trade technology structure, when a low-income country and a high-income country exports the same resource-based product, the technological complexity index reduces the overall technological level of a low-income country while raising that of a high-income country.

3. While the existing fixed standard classification method is based primarily on the analytical framework regarding exports, the export commodity structure is different from the import commodity structure. For example, China encourages exporting final products and high-tech commodities but not resources or resource-based commodities. On the other hand, China encourages importing not only high-tech commodities but also resources, resource-based products, semifinished and intermediate products. Therefore, the framework for analyzing the import commodity structure should be established for the purpose of the study, the actual situation and national conditions rather than on a copy of the framework for analyzing the export commodity structure.

Accordingly, this paper builds a new framework for analyzing the import commodity structure based on Lall's (2000) fixed classification criteria, Fan Gang and other researcher's (2006) revealed technological value-added classification and Chinese import policy priorities. The paper classifies trade goods into primary goods

and industrial products, the latter of which are divided into resource-based products and technology-based industrial products. Primary products are divided into resource-based and other primary products. Resource-based primary products refer to natural resources such as minerals and energy etc., while other primary products refer to agriculture, forestry, and animal husbandry etc. Resource-based commodities include metal products, agricultural resource-based and other resource-based products. Technological industrial products are divided into 3 categories according to the revealed technological value-added, i.e., low-, mid- and high-tech industrial products. Following the 5-digit SITC Rev.3 code, the paper classifies commodities and lists the number and representative commodities of each category in Table 1.

We divide all 3,108 trade goods into 2 categories and 8 sub-categories. Among them, 1,769 types of technological industrial products are divided into 3 categories according to the revealed technological value-added, i.e., low- (589 types), mid- (590 types) and high-tech (590 types) industrial products. Based on this classification approach, the paper conducts further analysis of Chinese imports structure.

Table 1. **Classification standard for commodity structure**

Classification	Category names	Number of categories	Representative commodities
Primary products	Resource-based primary products	82	Iron ore, copper ore, mineral oil
	Other primary products	633	Food, animal meat, grain, vegetables
Industrial products	Metal products	235	Iron, zinc, manganese, antimony, aluminum
	Agricultural resource-based products	126	Rubber products, wood products, paper and paperboard
	Other resource-based products	263	Ethylene oxide, lime, starch
	Low-tech products	589	Textiles, footwear, toys
	Mid-tech products	590	Cars, chemicals, machinery
	High-tech manufactures	590	Medical equipment, power generation equipment

3. Measurement indicators and data sources

3.1. Measurement indicators. Main measurement indicators used in the paper are as follows.

3.1.1. Revealed comparative advantage index. Revealed comparative advantage (RCA), put forward by Balassa (1965), is an index used to measure the comparative advantage in international trade, more specifically, the comparative advantage of a certain nation at a certain market. The basic idea of measuring the comparative advantage index is to assess a product's share in a country's exports in relation to its share in the world's exports. The formula for calculating this index is:

$$RCA_{ij} = \left(x_{ij} \Big/ \sum_{j=1}^{m} X_{ij} \right) \Big/ \left(\sum_{i=1}^{n} X_{ij} \Big/ \sum_{j=1}^{m} \sum_{i=1}^{n} X_{ij} \right), \quad (1)$$

where X_{ij} represents the exports of country i's commodity j, m denotes the set of commodities (or industries), and n is the set of states.

3.1.2 Revealed technological value added. The paper introduces the approach put forward by Fan Gang et al. (2006) to calculate the standardized revealed comparative advantage index of each product by using the RCA index as the weight for per capita

GDP of the corresponding exporting nation to obtain the revealed technological value added (RTV) of an export commodity.

$$RTV_j = \sum_{i=1}^{n} (w_{ij} \times \ln Y_i), \quad (2)$$

where RTV_j refers to the revealed technological value added of products j, Y_i denotes per capita GDP of country i, n represents the set of countries, and w_i refers to the weight of country i on products j.

$$w_{ij} = RCA_{ij} \Big/ \sum_{i=1}^{n} RCA_{ij}, \quad (3)$$

where RCA_{ij} is the RCA index of country i on products j, weight w_{ij} is the RCA index of country i on products j in relation to the sum RCA index of all the countries for products j.

The overall technological level of an economy's imports is the overall technical level of an economy's import basket. The technological level can be defined as the weighted sum of the technical content of all import commodities, and the weight is the import share of various products.

3.2. Data sources. The 5-digit SITC Rev.3 code import and export data of commodities are extracted from the UN comtrade database (http://comtrade.un.org/db), and the per capita GDP data are derived from the World Bank (http://data.worldbank.org.cn/indicator/NY.GDP.PCAP.CD). First, the paper uses the export data on 1,769 types of technical products from 181 countries and regions in 2010 to obtain the revealed technological value added measurement, which is used as the basis for classifying technical product structure for all years. It then uses the import and export data of China as well as that of China's major importing nations, including America and the other 7 developed countries, Brazil and the other 7 developing countries. It then analyzes the country structure and the interdependence of China's importing nations according to the commodity classification standard constructed in this paper.

This paper selects 16 trade partners of China – 8 developed countries and 8 developing countries – for the analysis. 8 developed countries are Japan, South Korea, the United States, Germany, Australia, France, Canada and the UK. 8 developing countries are Brazil, Malaysia, Thailand, Russia, India, Chile, Indonesia, and South Africa. These countries are not only the major trading nations among the most representative of developed and developing countries in the world, they are also China's main sources of imports.

4. Results and analysis

4.1. Chinese import commodity structure. Based on the changes in Chinese import commodity structure between 2000 and 2010, the share of agricultural resource-based and low-tech commodities dropped, with the share of low-tech products declining most sharply. The share of other types of products increased, with the share of mid-tech commodities increasing the most, followed by the resource-based primary products. Overall, the import share of two types of primary products rose, while the share of commodities declined. Imports of resource-based and metal products remained constant overall, while low-tech products experienced the greatest decline and mid-tech products demonstrated the greatest increase.

Between 2000 and 2010 Chinese imports increased dramatically in the world market share, growing from 3.24% in 2000 to 7.38% in 2010. The share of resource-based primary products rose most significantly, while mid-tech, high-tech, metal and agricultural resource-based commodities increased only slightly and low-tech products experienced a slight decline.

Table 2. **Chinese import commodity structure and the share of Chinese import commodities in world imports between 2000 and 2010 (%)**

Products Categories	Category Names	Chinese import commodity structure			The share of Chinese import commodities in world imports		
		2000	2005	2010	2000	2005	2010
	All Products	100	100	100	3.24	5.89	7.38
Primary products	Resource-based primary products	1.66	2.42	5.84	4.53	7.84	17.06
	Other primary products	10.25	9.01	11.40	4.35	4.65	6.79
Industrial products	Metal products	6.88	6.42	8.33	5.27	7.61	9.79
	Agricultural resource-based products	3.89	1.72	1.75	4.18	3.82	4.85
	Other resource-based products	3.95	3.84	5.05	2.30	3.87	6.01
	Low-tech products	19.20	21.64	4.73	2.94	7.21	2.88
	Mid-tech products	27.50	31.72	33.78	2.57	5.62	7.76
	High-tech products	26.68	23.23	29.12	3.82	6.11	8.38

Source: Computed by the author according to the data of UN comtrade database (http://comtrade.un.org/db/).

4.2. China's imports

4.2.1 China's import form developed countries. From 2000 to 2010, the shares of other primary products as well as resource-based, metal and low-tech commodities imported from the developed countries to China declined, while the shares of resource-based primary products and high-tech products increased slightly. The shares of goods imported from Japan, South Korea, and the US declined, in general. The shares of goods imported from France, Canada, the UK, Germany and Australia remained the same. Among these, the proportion of South Korean exports of agricultural resource-based products to China dropped by 15%, the share of the US exports of primary products fell by 8%, the proportion of Australia's exports of resource-based primary products increased by 14%, and the share of South Korea's exports of mid-tech industrial products rose by 7%.

Table 3. **The share of China's imports from developed countries to its total commodity imports in 2010, %**

Products	Japan	South Korea	USA	Germany	Australia	France	Canada	UK	Total
Resource-based primary products	5.89	4.95	10.85	3.33	17.52	1.10	2.68	1.52	47.84
Other primary products	4.01	2.62	10.08	1.35	3.01	1.95	5.06	1.03	29.11
Metal products	18.58	10.00	2.88	3.03	3.14	0.66	1.28	0.91	40.48
Agricultural resource-based products	11.89	7.02	8.80	4.65	0.98	1.46	0.37	0.88	36.05
Other primary products	18.53	14.42	11.92	4.78	0.36	1.53	0.30	0.54	52.38
Low-tech industrial products	18.23	7.84	9.31	6.22	0.42	1.45	1.07	1.01	45.55
Mid-tech industrial products	19.80	16.85	5.30	10.74	0.16	1.19	0.51	1.38	55.93
High-tech industrial products	23.40	9.99	12.59	12.31	0.26	3.12	0.46	1.45	63.58

Source: Computed by the author according to the data of UN comtrade database (http://comtrade.un.org/db/).

4.2.2. China's import from developing countries. From 2000 to 2010, the proportion of imported commodities from developing countries increased. The share of primary products, resource-based products and metal products increased greatly, while only the share of mid-tech industrial goods dropped slightly. The share of some products imported from Thailand, Indonesia, Chile and Russia underwent great changes. In 2010, the share of resource-based primary products imported from Indonesia was the highest, at 11.36%; the share of metal products imported from Chile was the highest at 12.66%; the share of agricultural resource-based products from Thailand and Malaysia were the highest at 12.66% and 9.46%, respectively. In addition, the shares of other products from the 8 developing countries were all very low, less than 2%.

Table 4. **The share of China's imports from developing countries to its total commodity imports in 2010**

Products	Brazil	Malaysia	Thailand	Russia	India	Chile	Indonesia	South Africa	Total
Resource-based primary products	0.15	4.39	1.28	3.57	0.50	0.59	11.36	3.43	25.27
Other primary products	3.51	7.51	12.80	2.57	1.08	1.42	5.47	0.25	34.61
Metal products	1.26	0.50	0.16	4.10	1.89	15.35	0.67	4.24	28.17
Agricultural resource-based products	4.07	9.46	12.66	0.85	1.81	0.03	3.27	0.10	32.25
Other resource-based primary products	0.28	1.03	3.27	1.10	3.39	0.38	1.60	1.88	12.93
Low-tech industrial products	0.21	1.67	2.75	2.93	2.07	0.15	1.51	0.14	11.43
Mid-Tech industrial products	0.11	1.45	1.83	0.19	0.33	0.02	0.50	0.06	4.49
High-tech industrial products	0.30	1.71	1.41	0.44	0.24	0.01	0.27	0.06	4.44

Source: Computed by the author according to the data of UN comtrade database (http://comtrade.un.org/db/).

4.3. The proportion of other countries' exports to China compared with their total exports

4.3.1. Developed countries' exports to China. From 2000 to 2010, the share of commodities exported from the developed countries to China compared to their total exports increased overall. That is, developed countries became increasingly dependent on China for their exports. For example, Japan, South Korea and Australia's exports to China rose greatly, and the exports of primary products, mid- and high-tech industrial products increased greatly. Specifically, the share of South Korea and Japan's resource-based primary products exported to China compared to their total exports increased greatly. In general, developed countries showed growing dependence on China for exports, among which Japan and South Korea had the greatest dependence while America, Germany, France and the UK were relatively less dependent.

4.3.2. Developing countries' exports to China. From 2000 to 2010, the share of developing countries' exports to China compared their total exports increased overall. Chile, Malaysia, and Thailand's exports to China changed greatly, while Russia experienced the least change in its exports to China. The shares of primary, metal and high-tech industrial products changed dramatically. All these countries, except

Brazil, were rather dependent on China in 2010. Chile and India were dependent on China for metal products; Malaysia and Thailand were dependent on China for agricultural resource-based products, and Russia was dependent on China for high-tech industrial products.

4.4. The top 5 countries importing to China and their corresponding shares. In general, from 2000 to 2010, the shares of mid- and high-tech industrial products exported to China from the top 5 importing countries increased, while the shares of other commodities decreased. Australia, overtaking America, became the leading source country for China's resource-based primary product imports. Thailand, replacing America and South Korea, became the leading source country for China's other primary products and agricultural resource-based products, and Japan got ranked first on the list of China's suppliers of other commodities. In 2010, the rank of the sum share of the top 5 importing countries' commodities was as follows: high-tech industrial products, other resource-based products, mid-tech industrial products, metal products, resource-based primary products, agricultural resource-based products, low-tech industrial products and other primary products. The corresponding total shares were 61.41%, 54.77%, 54.52%, 52.27%, 50.57%, 49.83%, 44.53% and 40.92%, respectively. Accounting for nearly half of China's imports, the top 5 importing countries were important to China.

4.5. The dependence of other countries' commodity exports to China. All of China's major importing countries were highly dependent on China for the exports of some products, the share of China's importing of specific products was high compared to the country's total exports. The degree of some products' dependence on China exceeded 50% and was as high as 100%. These products included Australia's chrome ore, Indonesia's titanium, chrome ore and base metals, Japan's chestnut and chemical wood pulp, South Korea's silver and umbrella accessories, Malaysia's niobium, tantalum and vanadium ore, and Russia's parity separation machinery and parts.

Using 2010 as an example we observe:

1. As for developing countries, over 400 types of commodities were exported to China from Malaysia and Thailand. Fewer types of commodities were exported from other developing countries. For example, Chile exported only 50 types of products to China. Indonesia, Malaysia, Russia and Thailand had many types of products whose rate of dependence exceeded 60%, the numbers of these types were 27, 30, 27, 29, respectively.

2. As evidenced by developed countries, there were over 1,200 types of commodities exported from Germany, America, Japan and South Korea to China, while the types of commodities from other countries were less than 700. Most export commodities from Germany and the US had low degrees of dependence on China, with over 1,100 products at a dependency rate of less than 20%, while most export commodities from South Korea and Japan had a relatively high degree of dependence on China, with over 600 products exhibiting a rate of dependence higher than 20%. In contrast, 135 products exported from Japan, 172 products from South Korea's and 4 products from Germany, 20 of the US export products had rates of dependence exceeding 60%. The shares of high-tech industrial products exported from America, Germany and France, 3 of the top 5 importing countries to China, accounted for 90% of China's import commodities, but were less than 20% of the said products

exported from the 3 countries. The shares of high-tech industrial products exported from Japan and Korea to China accounted for 50% of China's import commodities and were more than 20% of the products exported from Japan and Korea.

4.6. The dependence of China' commodity imports to other countries. Compared with other countries' dependence on China, China's dependence on other countries revealed different characteristics.

1. China's import dependence on developing countries was relatively low overall. Over 80% of the commodities exported from 7 developing countries, except Chile, accounted for less than 20% of China's imports. The types of commodities imported to China, with a dependence rate over 60% for Indonesia, Malaysia, Russia and Thailand were 12, 10, 6, and 17 respectively, which is far less than the types of commodities exported from these 4 countries, with a dependence of over 60% on China, included 27, 30, 27 and 29, respectively. Accordingly, the export dependence of developing countries on China was generally less than China's import dependence on these countries.

2. China's import dependence on Japan, America and Germany was great as a share of more than 80% of the commodities exported from the other 5 developed countries to China's total imports was less than 20%. Among these, the types of commodities imported to China, with a dependence rate over 60% on Japan, America, Germany and South Korea, were 83, 77, 31 and 21, respectively. The types of commodities exported from Japan, America, Germany and South Korea, with a dependence rate over 60% on China, were 135, 20, 4 and 172, respectively. Overall, the export dependence of Japan and South Korea on China was greater than the import dependence of China on them, while the export dependence of America and Germany on China was less than the import dependence of China on them. With regard to high-tech industrial products, the export dependence of America and Germany on China was less than the import dependence of China on them. The export dependence of Japan and South Korea on China was greater than the import dependence of China on them, which is in accordance with the general characteristics.

5. Conclusions and implications

5.1. Conclusions. The years from 2000 to 2010 witnessed a growing dependence of developed countries on China for commodity exports. The commodity export dependence of Japan, South Korea and Australia on China increased greatly overall, among which Japan and South Korea showed the greatest dependence while America, Germany, France and the UK were among the least dependent. The commodity export dependence of developing countries on China increased as well, among which Chile, Malaysia and Thailand showed the greatest dependence, while Russia showed the least. The countries were most dependent on China for primary products, metal commodities and high-tech industrial products. However, the dependence of Chile and India on China's metal products and Malaysia and Thailand's dependence on agricultural resource-based products were relatively great.

The major countries importing to China were developed countries. The US, Germany and South Korea maintained a relatively constant monopoly on China's technical industrial products, while Japan, America and South Korea were China's major importing countries of non-technical industrial products. China also imported

non-technical industrial products from some developing countries, such as Thailand, Indonesia, Chile, Malaysia, South Africa and Russia.

Asian-Pacific countries, both developing and developed ones, were more dependent on China for exports than the countries in other regions. The commodities exported from the Asian-Pacific countries to China was more than that from the countries in other regions. These features were most evident for Japan, South Korea, Malaysia and Thailand.

China's import dependence on developing countries was greater than the developing countries' export dependence on China. The export dependence of Japan and South Korea on China was greater than China's import dependence on them, while the export dependence of the US and Germany on China was less than China's import dependence on them.

5.2. Implications. In the history of the world powers, such as the UK and USA, importing is crucial for economic development. As evidenced from the economic boom and the change in economic development patterns of Asian Tigers, the role of imports is irreplaceable. Therefore, in the process of transforming from a trade giant to a trade power and an economic giant to an economic power, Chinese government should focus on expanding its imports scale and optimizing imports structure.

While emphasizing and increasing imports, Chinese government also should prevent import risks and establish a safe and efficient import system to avoid the negative influence of imports instability. Furthermore, China should implement a strategic and diversified import policy, achieve a trade balance with other trade partners and avoid becoming dependent on one or only a few countries for imports, especially with regard to imports of key commodities.

In general, as a result of the process of opening to the outside world, the interdependence between China and other countries continues to grow, though the imbalance of dependence becomes more obvious. Chinese government should pay greater attention to this risk. Furthermore, China should actively work to improve its relationship with developed countries, especially the USA and Germany, to solve disagreements properly, expand cooperation with respect to imports and exports, and increase its import scale to establish a healthy, long-term stable trade relationship. While continuing to be a good neighbor and partner by enhancing cooperation with surrounding countries, China should actively expand trade with developing countries in other regions, make full use of the resources in developing countries and promote economic growth of other countries alongside with its own development.

References:

Balassa, B. (1965). Trade Liberalization and Revealed Comparative Advantage. The Manchester School of Economic and Social Studies, 33(2): 99–123.

Bin Xu (2007). Measuring China's Export Sophistication. China Europe International Business School, Working Paper.

Du Xiuli, Wang Guowei (2007). Technology Structures of China's Exports and Their Changes: 1980–2003. Economic Research Journal, 7: 131–157.

Fan Gang, Guan Zhixiong, Yao Zhizhong (2006). Analyzing the Foreign Trade Structure Based on Technologies of Traded Goods. Economic Research Journal, 8: 70–80.

Guan Zhixiong (2002). Strength of the Made in China from the Perspective of American Market – Centered on Information Technology Products. International Economic Review, 4: 5–12.

Hausman, R., Wang, J.H., Rodrik, D. (2007). What You Export Matters? Journal of Economic Growth, 12(1): 1–25.

Lall, S. (2000). The Technological Structure and Performance of Developing Country Manufactured Exports, 1985–98. Oxford Development Studies, 28(3): 337–369.

Lall, S., Weiss, J., Zhang, J. (2006). The "Sophistication" of Exports: A New Trade Measure. World Development, 34(2): 222–237.

Michaely, M. (1984). Trade, Income Levels, and Dependence. North-Holland, Amsterdam.

Rodrik, D. (2006). What's so Special about China's Exports? NBER, Working Paper 11947.

Schott, P.K. (2008). The Relative Sophistication of Chinese Exports. Economic Policy, 23(53): 5–49.

Wei Hao, Wang Luxi, Li Chong (2011). On the Comparative Advantage and Trade Structure of Chinese Exports. China Economic Quarterly, 10(4): 1281–1310.

Yao Yang, Zhang Linfeng (2008). Analysis of Competitive Advantage and Technical Change of the Exports by Local Chinese Enterprises. The Journal of World Economy, March: 3–11.

Yao Yang, Zhang Ye (2008). Upgrading the Domestic Technological Contents of China s Exports: Evidence from Jiangsu and Guangdong Provinces and China as a Whole. Social Sciences in China, 2: 67–82.

Стаття надійшла до редакції 27.01.14.