

1988 中国对外贸易公司和有关机构

CHINA'S FOREIGN TRADE CORPORATIONS AND ORGANISATIONS



Department of Public Relations
China Council for the Promotion of International Trade

1988 中国对外贸易公司和有关机构

CHINA'S FOREIGN TRADE CORPORATIONS AND ORGANISATIONS



Department of Public Relations
China Council for the Promotion of International Trade

Facilitating contacts between Chinese and foreign enterprises
and broadening economic and trade channels.

Bo Yibo

(Bo Yibo is the honorary Chairman of CCPIT and CCOIC.)

沟通中外企业联
系拓宽经济贸易
渠道

薄一波

一九六六年
六月

Editorial Board

Editors-in-Chief: Hua Xiaoyu (华晓瑜)

Mo Xiu (莫修)

Advisers: Xie Jianqun (解建群)

Gu Zhenkai (顾振恺)

Editors: Qian Weiliang (钱伟良)

Wu Le (吴乐)

Zhu Yali (朱亚丽)

Shen Youcheng (沈有成)

Zhang Zhihao (张志豪)

Lu Ye (路野)

Contents

Preface	1
Introduction	2
Part One Import and Export	
Chapter 1 China's Import and Export in Retrospect and Prospect.....	5
Chapter 2 Structure of Foreign Trade and its Reform.....	9
Chapter 3 How to Trade with China.....	12
Chapter 4 Specialised Import and Export Corporations and Other Corporations and Enterprises Involved in Import and Export.....	16
Part Two Economic and Technical Cooperation	
Chapter 5 Introduction to Economic and Technical Cooperation Between China and Other Countries....	187
Chapter 6 Economic Cooperation and Contract Engineering Corporations.....	188
Part Three Finance and Investment	
Chapter 7 Foreign Investment.....	222
Chapter 8 Major Financial, Investment, Trust, Insurance and Leasing Corporations.....	223
Part Four Special Economic Zones and Open Coastal Cities	
Chapter 9 A Survey of SEZs and Open Coastal Cities.....	253
Chapter 10 Major Trading Corporations in SEZs and Development Corporations in Open Coastal Cities.....	256
Part Five Economic and Trade Organisations	
Chapter 11 Major Economic and Trade Organisations.....	274
Part Six Serving International Economic Cooperation and Trade	
Chapter 12 Introduction to Foreign Trade Transportation, Commodity Inspection, Export Bases and Foreign Trade Advertising.....	284
Chapter 13 Service Corporations for Economic Cooperation and Trade.....	285
Part Seven Arbitration, Industrial Property and Legal Affairs	
Chapter 14 Arbitration Commissions, Trademark Agencies, Patent Agencies and Law Offices.....	338

Preface

The China's Foreign Trade Corporations and Organisations 1988 is being published to assist those who have trade and economic ties with China and those who intend to establish such ties in future. The Directory provides detailed information on more than 2,000 Chinese foreign economic and trade enterprises and relevant organisations, as well as their addresses, cable and telex codes, telephone numbers and the names of their senior officers, information which will help foreign investors to find suitable economic co-operators and trade partners in China.

All Chinese enterprises and organisations engaged in foreign economic relations and trade are run by the State, with their business scope approved by the competent authorities. The aim of this book is to acquaint foreign business people with the trade lines of Chinese corporations, in addition to providing facts about China's economic and trade and statisti-

cal data.

By reason of the history, the names of some Chinese corporations are longer, which the foreign business people may not get used to, we would like to draw attention to the fact that, when writing to Chinese corporations, the full name (the name of the corporation and the name of the branch) and address must be written clearly on the envelope to avoid mis-carriage or delayed delivery.

The Directory is to be revised periodically.

*Department of Public Relations
China Council for the Promotion
of International Trade*

October 1987

Introduction

Foreign Economic Relations and Trade in China

Up to the present time, China has established trade relations and economic and technical cooperation with 177 countries and regions throughout the world and signed governmental trade agreements and protocols with more than 90 countries as well as the European Economic Community.

China's external economic and trade relations with other countries covers the following six main aspects:

- Import and export;
- Utilisation of foreign funds;
- Import of advanced foreign technology suited to China's specific conditions;
- Provision of economic and technical aid to third world countries;
- Contracts for engineering projects and provision of overseas labour service; and
- Participation in multi-national cooperation sponsored by the United Nations.

According to the China's Customs, in 1987 China's imports and exports totalled US \$ 79.9 billion (US \$ 41.7 billion for imports and US \$ 38.2 billion for exports).

In the eight years from 1979 to the end of 1986, foreign investment channelled into Chinese construction projects totalled US \$ 29.23 billion, of which US \$ 20.92 billion was granted by several foreign governments and international financial institutions (for example, the World Bank) in the form of loans to finance the construction and development of a number of key projects in the fields of energy, transportation and communications, agriculture, raw materials, scientific research and education. Real direct investment in China by foreign and Hongkong and Macao businessmen was valued at around

US \$ 8.31 billion. Direct investment refers to foreign investment in wholly foreign-owned businesses, joint ventures, Chinese-foreign contractual ventures (known as cooperative management enterprises in China), joint exploration of offshore oil, and equipment and technology contributed by foreign partners in compensation trade deals.

In the five years from 1981 to 1985, China improved more than 10,000 items of advanced technology (including 3,900 items imported by the central government) to modernise her existing enterprises. In the five years from 1986 to 1990, China plans to import thousands of items of advanced technology.

The Chinese government holds that it is China's incumbent international duty to provide, within its capability, economic and technical aid to third world countries. In the past three decades, China has built more than 1,000 projects in 80 countries, projects which are playing a positive role in developing the national economy and strengthening the independence of those countries.

Contracting for engineering projects and providing overseas labour services are two of China's new endeavours following the introduction of the open policy. The 67 contract engineering corporations, founded between 1979 and 1986, have undertaken quite a number of engineering and labour service projects in more than 88 countries and regions. Contracts signed by China and other countries for overseas engineering and labour service projects involved US \$ 6.4 billion in eight years from 1979 to 1986 while the total volume of business actually concluded in that period amounted to US \$ 3.3 billion.

In addition, from 1980 to the end of 1986, China approved a total of 277 non-trading Chinese-foreign joint ventures and China's wholly-owned ventures based in 50 countries and regions.

As a member country of the United Nations, China contributes to the UN and at same time, receives aid from the UN. For example, on the one hand, China contributes money to technical seminars aimed at training specialists for third world countries, provides necessary equipment and goods and builds projects in other countries; and on the other hand China uses aid from the UN to finance the construction of her own projects.

Since the adoption of the open policy, China has established four special economic zones in Shenzhen, Zhuhai and Shantou in Guangdong, and Xiamen in Fujian to facilitate the absorption of direct investment from other countries as well as from Hongkong and Macao and to introduce advanced foreign technology and management expertise. To further the open policy, China opened another 14 coastal cities and Hainan Island in 1984, where policies similar to those for the special economic zones will be implemented. Some other coastal areas such as the Yangtze River Delta, the Pearl River Delta and a triangle-shaped area of south Fujian, preferential policies are also adopted to attract foreign investment along with the special economic zones, coastal cities and Hainan Island. These areas will take the lead in opening China to the outside world and will serve as a bridge in China's economic cooperation and trade with other

countries. In other words, those places will help combine the introduction of foreign investment and technology with the integration of the national economy, and the economic growth of coastal areas with the development of inland provinces, thus promoting the economic construction of inland provinces and autonomous regions.

China is making the following efforts to meet the needs of development in her economic cooperation and trade with other countries:

- Reforming her foreign trade structure step by step;
- Further opening China's eastern and southern coastal areas (Population: 160 million), and encouraging the use of imported materials to produce export commodities, which will in turn to compete on international markets;
- Speeding up the work of economic legislation, protecting the lawful rights of the foreign investors, improving the investment and trade environment and signing agreements with more foreign governments on the protection of investment and the avoidance of double taxation;
- Improving transportation and communications facilities, expanding ports and increasing shipping capacities;
- Establishing service corporations and improving existing ones to facilitate economic cooperation and trade between China and other countries; and
- Opening more domestic and international channels to speed up the exchange of information.

Part One

Import and Export

China's Import and Export in Retrospect and Prospect

The Development of China's Imports and Exports

Shortly after the People's Republic of China was founded in October 1949, China began to develop its imports and exports methodically. For some years since then, the vast majority of China's import and export trade was with the Soviet Union and other Asian and eastern European socialist countries and only a small part of its trade was with western manufacturers and traders through non-governmental channels, because the western countries did not recognise New China and placed an embargo on trade with New China. In 1959 China's imports and exports amounted to US \$ 4.38 billion, 3.86 times the 1950 figure.

China's imports and exports grew slowly between the early 1960s and 1971 when the People's Republic of China's legal status in the United Nations was rehabilitated. The following factors contributed to the slow growth of imports and exports.

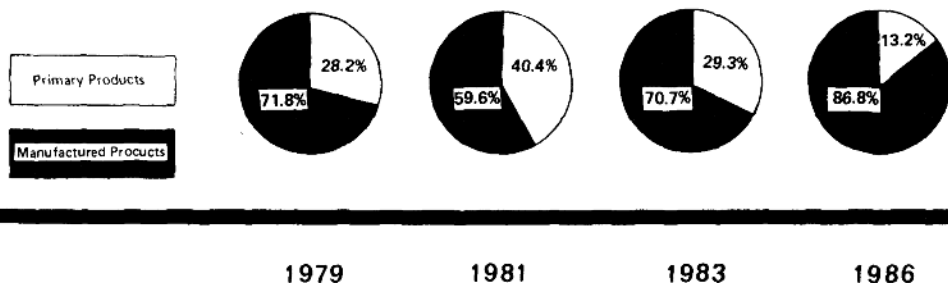
- In the 1960s China's trade with the Soviet Union and eastern European socialist countries decreased sharply, and China dramatically increased its trade with third world countries while trade volume was still limited. Despite a considerable increase, China's trade with western countries was still hampered by man-made obstacles. Most imports and exports had to go through non-governmental or quasi-government channels; and
- The import and export business decreased due to the impact of the "Cultural Revolution."

In 1972 China's imports and exports totalled US \$ 6.3 billion, an increase of 43.8% over that of 1959.

After 1972 China established diplomatic relations with many third world and western countries and gradually adjusted its foreign trade policy. As a result, China's import and export business increased rapidly, and in 1978 the total value amounted to US \$ 20.64 billion.

Since the adoption of the policy of opening to the outside world in late 1979, China has earnestly expanded its economic cooperation and trade with other countries and regions throughout the world. During the last eight years, China's economic and trade relations with the third world countries have made impressive progress, with the 1985 figure doubling that of 1980. In this period, China's relations with the western developed countries have witnessed substantial increase, with the 1985 figure registering a 1.2-fold increase over 1980. Since 1983, China's trade with the Soviet Union and Eastern European socialist countries has been increasing, with governmental long-term trade and payment agreements being signed one after another.

Since 1979, China's average annual rate of increase in imports and exports has been 13% higher than that of the total output value of industry and agriculture. Between 1979 and 1980 China imported more than it exported, but between 1981 and 1983 China exported more than it imported. And between 1984 and 1986 China imports again outweighed exports with large trade deficit. However such trade deficit has been sharply reduced in 1987. According to China's FINANCIAL NEWS, by the end of June



1987 China's foreign exchange reserve totalled US \$ 12.578 billion and gold reserve totalled 12.67 million ounce.

The Composition of Imports and Exports

In the past 38 years, China's type of imports and exports has varied a great deal with the vigorous development of China's economic construction. In 1953 primary products accounted for 79.4% of China's exports while manufactured goods, mainly light industrial products and textiles, accounted for 20.6%.

Between 1981 and 1985 primary goods dropped to 46% while manufactured goods rose to 54%.

At present, China exports some 50,000 kinds of products, compared with less than 10,000 kinds in the early 1950s. Staple exports include textiles, (garments, cotton cloth, drawnwork, polyester / cotton cloth, cotton fabrics, cotton and cotton yarn, silk and satin) crude oil and refined oil products, coal, ships, pharmaceuticals, tea, filaturesilk, pigs and frozen pork, cereals, oil, canned food, rugs and carpets, porcelain ware, hardware, tools, tungsten ore, animal by-products and native produce. Machinery, medium-to-small complete plants and chemicals are becoming an increasingly good potential for export.

China ranks first in the world in the export of some 40 kinds of products, which include native produce, animal by-products, filature silk, cotton cloth, tungsten ore and antimony.

Machinery and equipment (including complete plants) and raw materials for production are imported

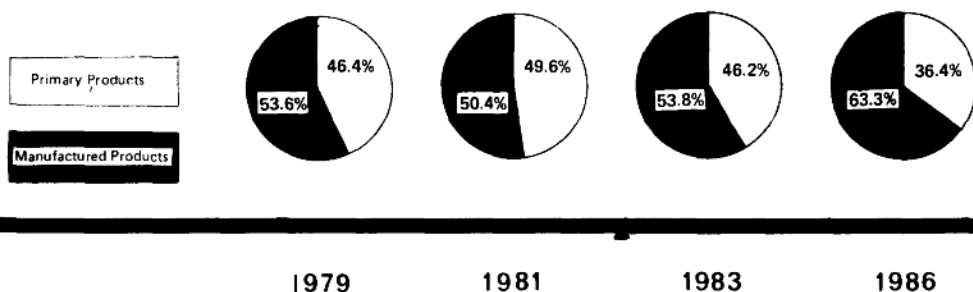
in the largest quantities with usually more than 70% (and sometimes 80%) being imported. Over the past few years, the proportion of imported technology in national imports as a whole has risen dramatically. In the 1960s and 1970s, China imported wheat and cotton in large quantities, and due to good harvests over the last few years, China is gradually managing to reduce the import of wheat. China has become a net exporter of cotton.

Prospects

According to the plans of the Chinese government, it is predicted that annual imports and exports may exceed US \$ 83 billion by 1990. At the same period, the annual value of exports increase by 8.1% and imports by 6.1%.

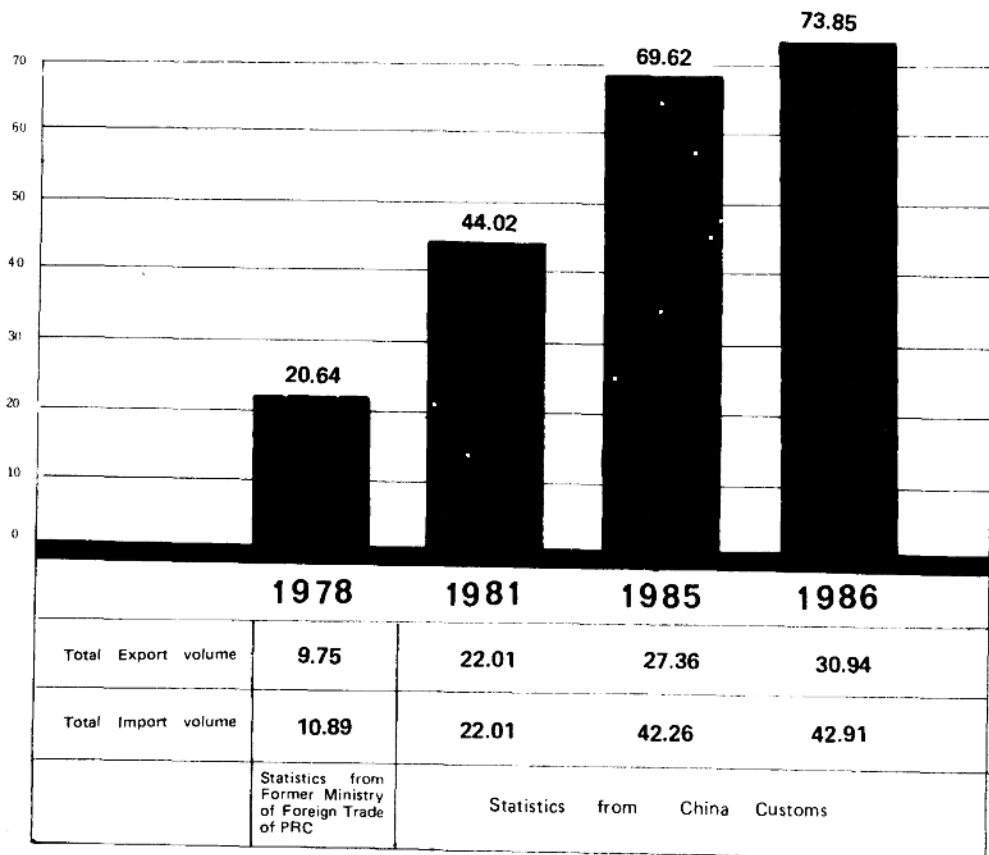
Export is vital to the expansion of China's foreign trade; without enough exports, it is impossible to increase the imports and, therefore, a basic balance between imports and exports must be achieved. Along with the rapid expansion of China's socialist construction, more and more good-quality products are being produced to meet the world market's demand on specification and variety. At the same time, China will continue to follow customary flexible practices in international trade, such as import-led export, barter, multilateral trade, compensation trade, trade by account, processing and assembling imported materials for re-export, processing customer-supplied materials and assembling customer-supplied components. In addition, it will strengthen the marketing drive in the world market and set up more trade centres, representative offices and Chinese-foreign joint ventures abroad.

Percentage of Manufactured Products and Primary Products in China's Exports



Increase in China's Total Import and Export Volume in Recent 8 Years

(Unit: Billion US Dollars)



China will increase the variety and quantity of staple exports, with priority being given to the export of traditional commodities. The export of petroleum, coal, maize, cotton, cotton and silk fabrics, nonferrous metals, chemicals, pharmaceuticals, machinery and equipment, household electrical appliances and light industrial products is expected to increase sharply.

With regard to imports, priority will be given to advanced technology, key equipment, raw materials for industrial production, goods for agriculture and building supplies.

China will continue to maintain and develop its trade relations with western European countries, northern American countries, Oceanian countries and

Japan and accelerate trade momentum with these countries on the basis of a basically balanced trade; attach importance to trade relations with southeast Asian countries as well as Hongkong and Macao; make greater efforts to expand trade with the Middle East and Latin American countries and improve economic and trade relations with third world countries; and will increase its trade with the Soviet Union and eastern European countries.

In order to expand China's imports and exports, Chinese foreign trade departments and enterprises will increase their efforts in market research and information collection, improve their services to China's industry and agriculture, and enhance economic returns by reforming foreign trade structures and improving management facilities.

Chapter Two

Structure of Foreign Trade and its Reform

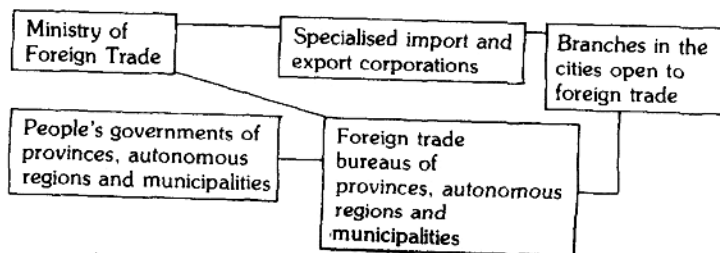
The administrative and managerial structure of China's foreign trade is undergoing important reforms. In order to acquire a good understanding of the origin and development of the current reforms, it is necessary to review the way China regulated and managed her foreign trade in the past.

1956-1978

In the wake of the socialist reform of private import and export enterprises in 1956, China's trade with other countries was under the control of a highly centralised administrative and managerial system. In other words, trade was carried out under the unified leadership and management of the former Ministry of Foreign Trade, and import and export business was handled exclusively by the specialised import and export corporations affiliated with the Ministry and their branches in the cities open to foreign trade. Other Chinese departments and corporations were barred from external trade.

The structure is explained in Figure 2.1.

Figure 2.1
Foreign trade structure 1956-1978



This structure played a positive role in China's trade with other countries under the conditions prevailing until 1978.

Under this structure, the specialised import and export corporations and their branches purchased goods from industrial and agricultural sectors or domestic commercial departments and then sold them in world markets. At the same time, these corporations and their branches purchased goods from world markets according to state plans and then allotted them to domestic commercial departments or endusers at the prevailing domestic prices. The Ministry of Foreign Trade was held responsible for the profits and losses in the transactions.

1979-1984

Since late 1978, when the policy of opening to the outside world was adopted, China has tried out a series of reforms in its foreign trade administration

and management structure. For example, China put an end to the Foreign Trade Ministry's monopoly of trade with other countries by allowing other ministries and commissions under the State Council and the governments of provinces, autonomous regions, municipalities and some cities to establish their own trading corporations to handle import and export within the range of their jurisdictions. In addition, inland branches of the specialised import and export corporations were given the green light to export their goods directly rather than handing them over to the coastal branches for export; some manufacturers were permitted to export their products on a trial basis; and the establishment of several trans-regional united corporations was approved. Figure 2.2 shows the structure of the reformed foreign trade system.

These changes were aimed at bringing the initiative of the production departments and localities for foreign trade into full play. The reform has made it possible for the total value of China's imports and exports to undergo significant increases in the past few years. However, the reform did not eradicate the defects in China's foreign trade structure; problems still existed. For example, since the function of governmental departments administering foreign trade was not separated from the function of foreign trade corporations, the autonomy of a corporation was quite limited. In addition, trading corporations

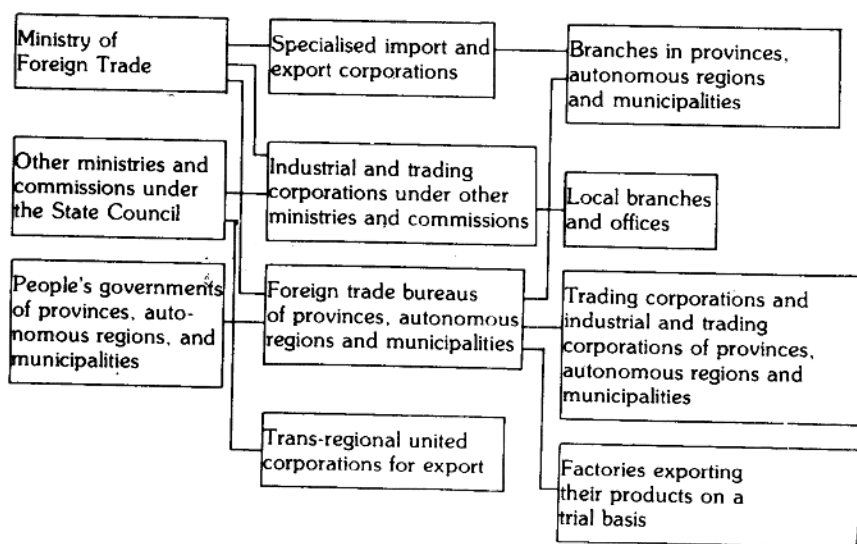
did not pay enough attention to their economic returns because the state undertook the responsibility for profits or losses. The trading corporations, as a Chinese saying puts it "ate from the big rice pot of the state" without fully considering its obligation to the state. In short, the responsibility, power and interests of a corporation were not integrated.

After 1985

Since 1985, the reformation of China's foreign trade structure has been getting underway. The aim of the reform is to assume sole responsibility for profits or losses of the foreign trade corporations and enterprises, practise the open management, strengthen the administration and to be consistent in foreign trade policies and practices. The reform should be carried out step by step in the following three aspects:

- Carrying out the rational separation of the functions of government and enterprises; applying more policies, laws and scientific economic readjustment system to strengthen the macro-structural management and consistency in foreign trade policies and practices;
- Practising open management in trade for most commodities;

Figure 2.2 Foreign trade structure 1979-1984



- Combining trading corporations with industrial and technological undertakings and combining import with export.

After several years of investigation and study, China is to conduct the reform in selected sectors in 1988 on the basis of above three aspects.

- For bringing about keeping the initiative in their own hands in management and assuming sole responsibility for their own profits or losses of the foreign trade corporations and enterprises, China will keep on carrying out the policy of drawbacks for export commodities which was implemented in 1985.
- Light industry, arts and crafts and garments will be the trial fields for foreign trade corporations and enterprises taking responsibility for profits and losses; and the other fields will improve the responsibility system based on contracts; the corporations and enterprises under good condition will carry out the system of enterprized management.
- Continue improving the method of reserving a certain portion of foreign exchange by the enterprises engaged in foreign trade and production.

- Develop the allied management for industrial and trade enterprises; and take further steps to transfer the power of management for export commodities to lower levels.

- Continue reforming the system of imports; and introduce the agency system for imports. The foreign trade enterprise will offer, by the units ordering the goods, service for imports as entrusted by those units ordering goods and a commission fee will be charged. The units ordering goods will take the sole responsibility for the profits or losses.
- Improve the administration of foreign trade, practise the rational separation of government and enterprises and give more autonomy to enterprises within their business scope.

The aim of the above steps is to spur the enthusiasm of the enterprises to earn foreign exchange by exporting goods, and further expand China's exports.

As a result of reforming China's foreign trade system, Chinese foreign trade corporations and enterprises will form an extensive and multiple-layer network as shown in Figure 2.3:

Figure 2.3 Foreign trade administrative levels after 1985

