

20120116 Shanghai Metals Market: China Targets 10 Pct Growth in Foreign Trade in 2012 says NDRC official

Source: Shanghai Metals Market

China aims to expand its foreign trade by around 10 percent year-on-year in 2012, significantly slower than in 2011, as the country is facing a "grim situation" in terms of boosting exports, an official from the country's top economic planning agency said Saturday.

"We expect more difficulties in foreign trade and the export situation will be grim in 2012, especially in the first half of the year," said Zhang Xiaoqiang, deputy director of the National Development and Reform Commission (NDRC), at a forum held in Beijing.

The world's largest exporter will suffer from weak external demand, increasing trade competition and disputes, the appreciation of the yuan and rising costs for domestic enterprises, Zhang said at the Annual Meeting of China's Economy 2011-2012 organized by the China Center for International Economic Exchanges.

China's foreign trade surged 22.5 percent in 2011 from a year earlier to reach 3.64 trillion U.S. dollars, customs figures show.

Zhang said trade has slowed down over the past few months. Compared with January of 2011, year-on-year export growth in December was down by 24.2 percentage points to 13.4 percent and import growth down by 39.8 percentage points to 11.8 percent.

Zhang suggested stabilizing export growth by improving tax rebate and insurance policies and providing more financial support for small trade companies.

Financial products should be developed to help exporters hedge against exchange rate fluctuations, while the value of the yuan should be kept stable, Zhang said.

The use of the yuan in cross-border trade settlements should be further encouraged, he added.

Meanwhile, the government should reduce import tariffs on some energy products, raw materials, advanced technologies and key components to boost imports, Zhang said.

He warned China could encounter more trade barriers in the forms of stricter standards for technology, salaries, environmental protection and intellectual property rights.

Foreign countries implemented 67 trade remedy measures against Chinese exports in 2011, 41 of them coming from developing nations, he noted.

"When we go through a difficult time, we should stand more firmly against trade protectionism," Zhang told the forum.

He suggested further promoting the Doha Round trade talks and advancing talks on free-trade agreements with more countries.

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