



China

China Liberalizes Foreign Trade on July 1, 2004 to Honour WTO Promise

Trading companies in China do not require governments approval to engage in foreign trade w.e.f. July 1, 2004 according to China's newly revised law on foreign trade. According to the revised law, a company may engage in foreign trade after it registers with government departments concerned, and no official permission is required so long as the applicant is a legal company. Previously, foreign trade companies had to obtain licenses from government departments before they can engage in foreign trade, and foreign trade companies have to meet official requirements before awarded the licenses.

According to China's promises on entry into the World Trade Organization, China will liberalize foreign trade in 2004, and China's revised foreign trade law stipulates the right to engage in foreign trade can be obtained by companies through registration with government departments concerned. Under the new law, individual citizens in China may do foreign trade after they go through legal procedures.

China's Foreign Trade Volume Exceeds \$500 BLN

China's foreign trade volume reached 523 billion US dollars in the first half of this year, a 39 per cent increase over the same period last year. According to the General Administration of Customs, China had a 6.8 billion US dollar trade deficit in the first half of 2004. Meanwhile, mechanical and electrical products accounted for more than 50 per cent of exported goods. Among imported goods, steel showed a decrease.

China's Steel Import Declines during January to June of 2004

China imported 18.04 million tons of steel products during the first six months in 2004, down by 2.5% or 460 thousand tons from 18.50 million tons in the same period of last year, marking the first decline in accumulative imports for many years. Meanwhile, China exported 4.56 million tons of steel during the corresponding period, up 29.3% from 3.52 million tons in the previous year.

In June, China imported 2.44 million tons with import value of \$1.7607 billion and exported 1.09 million tons with export value of \$669.85 million.

Investment in Steel Sector Increased by 76.6% during January to May of 2004

The investment growth in steel, cement and electrolysis aluminium during the first five months of 2004 stood at 76.6%, 55.3% and 38% respectively, compared to 96.2%, 113.4% and 86.6% rises of the same period of last year. According to government statistics, during January to May of this year, the growth of fix assets in urban and town was lower 8% from that in the first four months. The investment increase in manufacture, electric, fuel and water supply, construction and wholesale and retail business were down by 13.8%, 0.5%, 28% and 4.7% respectively.

China's Steel Exports Increase

China has seen a significant growth in its steel exports during the first half of this year. This growth is a result of China's macro-economic policy which has brought about a decline in the price of domestic steel. In contrast, steel prices on the international market continue to rise, with the average price 72 US dollars higher per ton than that of China.

(Source : EEPC Singapore Office)

India-Singapore Trade Leaps

Two-way exchange between the two nations totals \$5.4 bln in first half year, setting the stage for full-year trade to top \$10 bln. The two-way trade between Singapore and India increased by 54.3 per cent in the first half of this year, and is set to top \$10 billion for the full year. Last year trade between the two countries were at a level of \$7.9 billion.

(Source : EEPC Singapore Office)

Australia, Malaysia to Study Possible Trade Pact

Australia and Malaysia will examine the possible of a free trade agreement (FTA) and the idea would be discussed at the 11th meeting of the Australia-Malaysia joint trade committee. The joint trade committee meets regularly to discuss ways of improving trade and investment cooperation between the two countries.

Australia has signed FTAs with Singapore and Thailand in the past 18 months and the Australian government wishes to strengthen the relations with South-east Asia.

ASEAN in the bid to foster closer ties, has invited Australia and New Zeland to attend its summit in Laos in November - where it is expected to endorse the idea of including the two nations in a regional free trade area.

Malaysia is Australia's 11th most important export market, accounting for sales of more than A\$ 2 billion (S\$ 2.47 billion) a year.

(Source : EEPC Singapore Office)