

Economic Development And International Trade

While many countries opt to “live with the virus,” China holds the line of “zero Covid.” That, however, does not stop countries from moving forward with their economic development and international trade.

While restricted travel in the past two years impacts people and product movements, China is building railroads domestically and in other parts of the world to improve transportation and link the world together on land.

The Regional Comprehensive Economic Partnership, so far the world’s largest trade deal, comprised of 15 Asia-Pacific countries, was minted on the first day of the new year.

Majority of Americans think international trade is good.

When Covid is under control, the world will be readied to roll again, and in full force.

Anita Tang, Managing Director



World’s Largest Trade Deal Involving 15 Countries Now In Force

The Regional Comprehensive Economic Partnership (RCEP), the world’s largest trade deal, entered into force January 1, 2022.

RCEP will eventually eliminate more than 90 percent of tariffs on commerce among its 15 member countries in what economists say will be a boon to trade in the region.

The Partnership was initiated in 2012 by the Association of South-east Asian Nations to strengthen ties with China and other nations in Asia.

Member countries include Australia, Brunei, Cambodia, China, Indonesia, Japan, Laos, Malaysia, Myanmar, New Zealand, the Philippines, Singapore, South Korea, Thailand, and Vietnam.

With RCEP members accounting for 30 percent of global population and gross domestic product, the *Wall Street Journal* noted, “the partnership becomes the world’s largest regional trade agreement, exceeding the US-Mexico-Canada Agreement and the European Union Customs Union.

“The agreement aims to elimi-

nate almost all tariffs on imports between the nations in up to 20 years and establishes common standards on intellectual property rights and e-commerce.”

The launch of the RCEP comes at a time when China seeks bigger roles in making trade rule in the Asia-Pacific region while the U.S. remains largely absent.

The Journal reported comments by Henry Gao, an Asia trade expert and associate professor of law at Singapore Management University, who said RCEP “could be a wake-up call for the U.S. to rethink its strategy and come back to Asia-Pacific.”

“He said the RCEP will benefit China by making its parts and components more attractive to factories that make up supply chains in Southeast Asia and boosting trade with Japan and South Korea.”

The Brookings Institution estimates the RCEP could add US\$ 209 billion annually to world incomes and US\$500 billion to world trade by 2030.

China Opens Parks For Sports, Archeology

China will build or expand roughly 1,000 sports parks nationwide by 2025, reported *People's Daily*, and has a five-year plan to build 10-15 cultural heritage parks for relic protection.

Over the past few years, the number of sports parks across China has grown significantly. East China's Zhejiang Province has opened 288 sports parks, one-third of which are mini parks transformed from undeveloped urban green areas and vacant lots.

The building of sports parks has been welcomed by the public and has promoted "10-minute-fitness circles" in urban communities, providing physical exercise facilities that residents can reach within 10 minutes.

"In 2010, authorities announced the first batch of national archeological parks, which have become important laces for people to get a clear understanding of Chinese civilization," noted *Global Times*.

China is now home to 36 national archeological parks, among which 11 are UNESCO World Heritage sites.

"Cultural relics should be well maintained to really



benefit people, experts said, noting more exhibitions and interactive archaeological projects as possible ways to engage the people to better understand China's cultural relic protection and how it can benefit the world."

In the next five years, China will enhance international communication of domestic cultural relic protection and actively participate to rescue threatened relics, break up illegal relic trafficking and promote retrieval of cultural relics lost overseas.

Illinois Promotes Exports To China

China was the only top trading partner of the United States that registered export growth in 2020, with U.S. goods exports to the country surging by nearly 18 percent, according to a study released by the US-China Business Council in November, 2021, as reported in *China Daily*.



"The U.S. exported just under US\$105 billion in goods to China in 2019, and last year...that number jumped to US\$123 billion."

The State of Illinois in 2020 exported US\$3 billion in goods to China, its third largest export market, according to the Illinois Office of Trade and Investment (OTI). In November 2021, OTI hosted a weeklong virtual program to help Illinois companies grow their exports to China. Participating companies met virtually with pre-vetted distributors and agents across all industry sectors.

OTI is now informing Illinois companies about the

IE Expo in Shanghai April 20-22, 2022.

"As Asia's leading environmental show, IE China offers an effective business and networking platform accompanied by first-class technical-scientific conference program.

"China is the largest and fastest-growing emerging market for environmental technology. It is estimated that China will invest nearly US\$1.3-1.6 trillion in the environmental industry in the coming years. China's industry has sustained a 20 percent annual growth rate and is expected to advance towards 30 percent in the near future."

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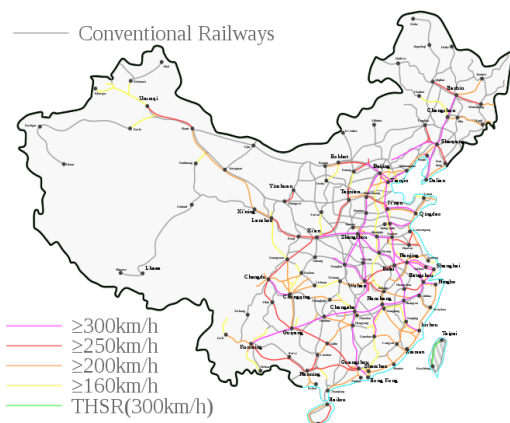


China Is Working On The Railroad

China is busily working on its railroads and those in other countries.

Since the Peoples' Republic of China was founded more than seven decades ago, it has built the most modern railway network and advanced high-speed railway network in the world.

In 1949, it had 22,000 kilometers of railways. Since 2012 it has created a railway system with a massive high-speed railway network of eight horizontal lines connecting east and west and eight north-south lines. By the end of 2020, China's railway network had accounted for more than two-thirds of the world's high-speed railway. In 2021, China had 150,000 kms of railway, with 68.15 percent electrified (The U.S. had 219,000 km, 1.36% electrified).



High-Speed

With speeds of 350 kph (217 mph) on many lines, 75 percent of Chinese cities with a population of 500,000 or more have a high-speed rail link. Spain has second most mileage: 2,000 miles (3,218 km) dedicated for operation over 250 kph; the U.K. has just 107 high-speed kilometers, and the U.S. has only one high-speed route, Amtrak's North-East Corridor, where trains top out on 240 kph on a line shared with commuter and freight trains.

High-speed rail is a China priority, which aims to connect more of its large cities to reduce time and expense required to travel around the world's most populous country. Its average high-speed train can run at about 350 kph, while planes fly at 800-900 kph.

In July 2021, China pushed high-speed further. A maglev bullet train that reached 600 kph (371 mph) debuted in Qingdao by state-owned China Railway Rolling Stock Corporation Ltd. The train appears to be "floating," thanks to an electromagnetic force that sends it gliding above the tracks.

Two new high-speed railway lines opened in December 2021, reported Xinhuanet, and China connected to Laos. China plans to expand its railway network, with high-speed portion of 70,000 km by 2035.

Freight Trains

This year marks the 11th anniversary of the launch of China-European freight trains. At the end of 2021, 73 routes have reached 175 cities in 23 European countries with more than 50,000 kinds of goods.

Some November 2021 China-Europe trips indicate the freight railway value. Xinhuanet reported "The first direct China-Europe freight train service linking southwest China's Guizhou Province and Russia's Moscow started service Thursday (November 18, 2021)." Loaded with goods and ceramics, it was expected to arrive in 15 days compared to 53 by sea.

Xian in Shaanxi Province launched freight trains in 2013 and has made 10,963 trips. Cookware from Germany, milk powder from the Netherlands, agricultural products from central Asian countries are among the most popular imports. The journey to Hamburg, Germany, now takes 10 days, just three more than air shipping.

Subways

A group of new subway lines in Beijing were scheduled to open by year's end 2021, reported Xinhuanet, and a Chinese company had started producing railway cars for 18 trains in Porto, Portugal. *Railway Technology* reports that a Chinese company helped construct the new Moscow subway with its 21 stations.

Other Railways

Chinese companies are engaged in building sections of Tanzania's Central Line and a section of the Belgrade-Budapest Railway.

Future

The China State Railway Group Co., Ltd. has announced a new plan to have a daily average of 75 freight trains connecting 174 cities in 23 countries.



Former Chicago Mayor Ambassador To Japan

Rahm Emanuel, former trade-promoting Mayor of Chicago, was confirmed as United States' Ambassador to Japan by the U.S. Senate in December, 2021.

Emanuel, who was Mayor 2011-2019, actively promoted business relationships with Asian countries, sponsoring meetings in Chicago where deals might be made between local companies and those abroad.

A most notable effort to bring Asian business to Chicago was a 2018 trip to China and Japan, where he met with a Chinese company that planned to build newest versions of Chicago's subway cars, and signed an official partnership agreement with the Japanese government.

The 44-member delegation was made up of leading Chicago business and political leaders and widely judged a successful effort in opening the City for

Asian business deals.

In China, for example, members of the delegation participated in a daylong investment forum. They were paired with representatives from more than 300 Chinese businesses recruited as part of a 2013 agreement Chicago signed with eight major Chinese cities to improve trade and expand businesses.

In Tokyo, the Chicago business leaders took part in a similar forum.



Chicago Council: Free Trade Supported

Two in three Americans (68.5%) say globalization is mostly good for the United States, according to findings in the 2021 Survey of the Chicago Council on Global Affairs.

Three-quarters (75%) think international trade is good for the economy, and 82 percent say it is good for consumers like them. Six in ten think it is good for creating jobs in the United States and nearly eight in 10 think international trade is good for their standard of living.

The Chicago Council on Global Affairs is an independent, non-partisan organization that, among other activities, is associated with the *Financial Times* and

the annual Pritzker Forum on Global Cities.



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