

Experiences of Sino-Belgian Trade Development Modeling¹

EXPERIENCES DU MODELE DE DEVELOPPEMENT DU COMMERCE SINO-BELGE

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Abstract: Sino--Belgian trading model---Support middle & small high-tech enterprises cooperation; Government—NGO—financial institutions unite into one to establish efficient & direct connect; Promote bilateral foreign trade through technological innovation---can provide China with certain experiences not only in further enlarging Sino-EU trade, but also in China's current economy transformation.

Key words: Sino--Belgian model, high-tech small enterprises cooperation, Sino--EU trade

Résumé: Le modèle de commerce sino-belge—soutenir la coopération de haute technologie des petites et moyennes entreprises, le gouvernement- les O.N.G- les institutions financières s'unissent pour établir un contact efficace et direct, promouvoir le commerce bilatéral par l'innovation—peut apporter à la Chine certaines expériences non seulement dans l'élargissement du commerce sino-européen, mais également dans la transformation économique actuelle de la Chine.

Mots-Clés: modèle sino-belge, coopération de haute technologie des petites et moyennes entreprises, commerce sino-européen

Sino-Belgian trade has started as early as 17th century. During 1896-1905, Belgian engineer Jean Jadot hosted Hakou--Beijing railway, now known as Wuhan – Beijing railway. This project was a great technological innovation then, it now still plays a significant role in Sino-Belgian bilateral engineering. China renewed its formal diplomatic relationship with Belgium in Oct. 1971, the bilateral relations have been undergoing smooth development ever since. Sino--Belgian bilateral trade was only USD20 million in 1971, while in Jan. Nov. 2005, this figure has reached USD10.657805 billion, with an increase of over 500 times. China is now Belgium's second largest trading partner except U.S. Belgium is China's 6th largest trading partner & the 7th biggest investor among EU countries. Belgium has been one of the earliest countries to offer governmental loan to China, it is also China's most important technology & high-tech program supplier. Belgian economy is highly complimentary with that of China. Shanghai Bell company & Xi'an Yangsen corporation have become successful Sino-Belgian bilateral cooperation examples. Belgium has also been quite active in participating China's big west exploitation & Sino-Belgian high-tech cooperation. Both countries have been engaging in close cooperation in foreign trade, transportation, medicine, etc.

Belgian, relying on service with sound industrial

basis, is famous for its high-tech light industrial products. Its world famous products include chocolate, beer, diamond, carpet & rugs. Diamond & food are the two main industries toward China market, besides carpets & rugs, clothing & flowers also play an important role in Sino-Belgian trade. Export Vlaanderen has jointly organized dozens of related Belgian carpet & rugs companies to attend "Chinafloor" held annually in Shanghai. This has also become their most successful project in China, they put forward the program of "Basing on Belgium, developing in Europe, start from Vlaanderen!"

Belgian is a small country with little natural resources, with 95% of its domestic companies are small ones engaging mainly in import & export, Service industry has been quite essential in Belgian national economy. With narrow domestic market, middle & small Belgian businesses have to export based on high-tech & advanced equipment, they have a say in international market by their flagship products. Belgian high-tech middle & small enterprises are open both in its structure & operation. They have been engaging for generations in the productions of machine fittings such as car spares. Belgian Prime Minister Mr. Verhofstadt has emphasized to support Belgian middle & small enterprises in Sino-Belgian high-tech cooperation in areas such as telecommunication & information.

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China's Prime Minister Wen Jiabao has focused on further promoting Sino-Belgian trade in energy, environmental protection & high technology. He has also signed, during his visit to Belgium in 2004, an agreement to set up certain Sino-Belgian fund to further enlarge direct cooperation of small companies in Sino-Belgian bilateral trade. Former Export Vlaanderen has long established a special Asian fund to encourage its enterprises investing in Asian, especially in China. Belgian NGOs co-act dynamically with government in market investigation & experts training, etc.

CONCLUSION: ENLARGE TRADE WITH SMALL EUROPEAN COUNTRIES & COMPANIES IN SINO-EU COOPERATION; TURN CHINA FROM A BIG TRADE COUNTRY INTO A STRONG TRADE COUNTRY THROUGH HIGH-TECH INNOVATIONS.

The majority of EU countries are small & developed countries just as Belgium. While technologies are quickly spread within EU countries, the long European integration has made EU countries consistent in every aspect. Small EU countries, middle & small European corporations are China's potential future new market. Sino--Belgian trade mode, namely Government—NGOs—Financial institutions united into one to establish efficient cooperation can act as the future development model between China & small EU countries. Cooperation and win-win strategies are the major purpose of China's foreign trade. China's economy has been improving with endless development potentials which are the exact causes of "hot China" in international arena. With our "developing abroad" strategy, Sino-EU bilateral trade will surely enter a mutual beneficiary & plural development stage.

China's government has been engaging in active promotion of our foreign trade, especial after China's

opening up & reforms. A series of trade regulations & laws have been set up to enlarge our foreign trade. Quick responding foreign trade system has also been set up to improve our foreign trade environment. Over 20,000 Import & export corporations have become China's major exporting body. China's foreign trade has now surpassed USD1000 billion. Yet China is still supporting its foreign trade development with export quantity & low prices. Export of industrial manufacturing goods has surpassed 90% of China's total export, with high-tech products occupying only 37%. This has shown China as a big foreign trade country instead of a strong foreign trade country. Processing trade occupies 55% of China's total export, which takes the labor intensive products as its major export goods, with its extra-added values being only 30%, resources & environmental protection costs are still rather high. From the sustainable development point of view, China should not pay too much attention only to foreign trade figures, we should: further enlarge our foreign trade with science & technology; accelerate the transformation of our foreign trade structure & improve our foreign trade structure; promote the innovative capabilities of our enterprises; prosper & support our country with foreign trade. China in its current economic transformation should break away with the worship complex of big country & big corporations; Enlarge trade with small European countries & small companies; Make full play of the governmental functions; Support the high-tech trade with middle & small European enterprises; Perfect our industrial property rights; To succeed in our economy transformation, we should establish an economy structure of clear property system; Set up efficient, healthy legal & financial institutions; Encourage thrifty & diligence. Government—NGOs—financial organizations should unite into one to establish high efficiency economy, to realize our investment—absorption—innovation in our economy transformation & to strengthen our international competitions in order to turn China from a big to a strong innovative trade country.

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