

# How to Enlarge China's Trade with Middle & Small European Countries Such as Belgium<sup>1</sup>

## COMMENT ELARGIR LE COMMERCE CHINOIS AVEC DE PETITS ET MOYENS PAYS EUROPEENS COMME LA BELGIQUE

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**Abstract:** In 2004 & 2005, China has been world No.3 import & export country, EU has become China's No.1 trading partner. To further expand Sino-EU trade & turn China from a big trading into a high-tech, strong trading country, it is wise related China's governmental & non-governmental organizations (such as trade unions & financial organizations) set up their global network, act as intermediaries, provide market information & guarantee to set up high-efficiency economy.

**Keywords:** small European countries, governmental intermediary, NGO

**Résumé:** En 2004 et 2005, la Chine est devenue le troisième pays d'importation et d'exportation du monde entier. L'Union européenne est devenue le premier partenaire commercial de la Chine. Pour approfondir le commerce sino-UE et aussi pour transformer la Chine d'un grand pays de commerce en un grand pays fort en commerce avec des technologies de pointe, il est lucide d'encourager aux organisations gouvernementales et non-gouvernementales (telles que les unions de commerce et les organisations financières) d'établir leur réseaux globaux, en jouant le rôle d'intermédiaires, en fournissant les informations et garanties du marché pour établir une économie de haute rentabilité.

**Mots-clés:** Petits pays européens, intermédiaire gouvernemental, NGO

By 2004 WTO annual report, world top 30 import & export countries include Germany (No.1 in export & No.2 in import), France, Holland, Italy, UK, Belgian rank among the top ten with Spain, Switzerland, Swiss, Austria, Ireland, Norway, Denmark and Poland on the top thirty. Fifteen European countries occupy the 50%. In 2004 & 2005, China has been world No. 3 import and export country, EU has become China's No.1 trading partner since 2004. Yet present Sino-EU trade focus has been laid on big powers such as Germany, UK & France. Meanwhile, many smaller EU countries, such as Belgium, are trying to enlarge their trade with China.

Belgium is a small country with only 30,528km & a population about 10 million, yet its total import & export has been on world top ten since 1990, its import & export of 1991 was world No. 1. It is now China's 6th EU trading partner. Geographical advantage has made Belgium the "thoroughfare" of Western Europe. Belgium is one of the creators of ECC, it is among the first to be approved into Euro countries. Brussels--capital of Belgium and EU, with headquarters

of more than 1000 international organizations & institutions--is also called the 'capital of Europe'.

Majority of Belgian enterprises are small companies, their products have high quality because of their long participation of fierce international competitions. Yet because of shortage in capital & global network, they can mainly do business with neighboring EU member countries. To promote trade of those small companies which is the major component of Belgian economy, certain government agencies have been setting up their global network and act as intermediaries to help promote their trade, esp. that of those small companies. Belgium acquires high specification, clear property right and an efficient & healthy financial system which propels enterprise's development. It encourages saving, thrift & diligent. Belgium can act as typical capitalist country for those small EU countries such as Netherlands & Luxemburg, etc.

Former Export Vlaanderen (Belgian Foreign trade promotion Bureau in Flanders area) has done quite well in promoting Flemish foreign trade, esp. in

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Sino-Flanders trade. It has set up about 40 representative offices in more than 30 countries including US, UK & China. EV has thus established an international network & governmental guarantee for small companies lacking their own international network & backs their businesses with governmental support. In China there are 4 representative offices (Beijing, Shanghai, and Guangzhou & Hong Kong). Local hands good at both English & foreign trade are employed to gather the first hand market information. EV has successfully organized two international exhibitions in China, one is Shanghai China floor for floor & its related decorations, and the other one is Hong Kong Jewel Expo. Each year, related small Belgian enterprises are invited to participate these exhibitions by governmental sponsor. Besides, government organizes big trade delegation to China for related companies to talk face to face for further co-operations.

Government plays a vital role promoting Belgian exports: participate actively in its export market adjustment; promote restructuring of exporting goods structure, strengthen role of foreign promotion agencies; enhance fiscal adjustment & provides export subsidy; make full use of its embassies & consulates; strengthen governmental advertisements.

Non-governmental international (such as World Bank) & national (like Sino-Belgian council) organizations are also important. Wolfowitz--director of WB, pointed out when he visited China 2005 that non-governmental organizations had been vital in those successful countries worldwide. For example, US succeed because Americans are fond of setting up various organizations & associations. Wolfowitz remarked that WB is willing to cooperate & support China's non-governmental organizations. Asian Development Bank also increases its loan to China's private sectors. Antony--former Chairman of European Trade Council said July 2005 that ETC has been supporting medium & small European companies to enter China's market for narrowing their huge trade deficit, which has been quite successfully in Japan before & has been proven efficient to develop European enterprises. London Investment Council has helped over 30 Chinese companies, like China Sea oil Corporation, into UK market in the past two years. China telecom is the most successful case with its European headquarters now in London.

In his *The World Economy: A Millennial Perspective*, Angus Maddison describes Belgium as the model of high efficient economy. Belgian is a small yet representative developed capitalist country, which has been active in promoting EU policies. Its macro and micro economic regulations are becoming more and more consistent with that of EU. Research of Belgium is also to study EU economic systems. Under current globalization, two neighbor countries may contact less than remote ones. EU is world No. 1 economy & trade

power while China is world biggest developing country, there does exist big potential for both sides. Furthermore, in all the international trade connections, only EU has no essential conflict with China & thus has always understood & supported China's development & emergence as a strong economic power. Both parties have achieved common realization in many international issues & have cooperated quite harmoniously in international multilateral operations. To further promote China's trade with small EU countries like Belgium, it is wise related government and non governmental organizations set up their global network & act as intermediaries.

In Europe, there are altogether 45 countries. Germany, UK and France are three major industrial countries, which have been the global trade focus for years. Yet the majority of European countries, esp. in EU, are small countries like Belgium, Luxemburg, Ireland, and Netherlands & Portugal etc. They are small in size yet quite strong in international trade. Their products acquire the same high quality & high-tech just as the several major European countries mentioned above. In fact there is no basic technological difference among European countries. But the main present trading partners of these small countries are still their neighboring EU members. These European countries have little domestic natural resources, yet acquire strong economy and high technology, the third industry plays an important role in its economy. Middle & small enterprises are their economic pillar. With small domestic markets, these countries rely on importing raw materials & processing them into finished or semi-finished products. They have a saying in world economy with their flagship products with high technology and equipment.

World modernization is an international process from the very beginning; it begins with the starting of international trade. Europe has become world's most successful country as the result of foreign trade expansion accompanying high-tech innovation. China has been world No.3 import & export country for two years, yet it mainly relies on low labor costs & exporting quantity to support its foreign trade, & is still at low ranks in international transactions. Belgium becomes strong with high technology & supports its development with foreign trade. The Belgian model to promote Sino-Belgian trade, namely related governmental & non-governmental organizations set up their international network and act as intermediaries to provide market information & guarantee etc, can be applied to other small countries in Europe, esp. In EU to fulfill our basic transformation process of investment—absorption—innovation, enhance China's international competitiveness and turn China from a big trading country into an independent innovative strong trading country of high technology.