

PREFACE

China has been experiencing remarkable growth and sweeping transformation of economic institutions since it introduced its Reform and Open-door Policy 20 years ago. Especially since the early 1990s the process of transition to a market economy has been substantially accelerated, which contributed to the recent emergence of China as a new world industrial power. The country has been, for example, by far the largest exporter of garments since the mid-1990s, accounting for around one-fifth of world garment exports. In more recent years we have been witnessing a surge in information technology (IT) manufacturing networks in the South China region. Furthermore, rapid economic growth has brought the income level in major coastal municipalities quite close to that of some middle-income countries such as Thailand or Malaysia, which in turn has led foreign businesses to show increasing interest in the potentiality of the country's domestic market.

In spite of China's growing significance in the global economy, the country has remained outside the WTO system. However, following tough and prolonged negotiations since its application for GATT membership in 1986, China now seems to be on the verge of successful entry into the WTO in the first year of the new century. China's accession to the WTO will benefit both China and the world in the sense that it places interactions between them under a relatively stable institutional framework.

However, for a country like China, with a population of 1.2 billion and huge potential for development, to be harmoniously integrated into the global economic system, there are a number of issues that have to be addressed. Both China and neighboring countries need to undergo various structural adjustments.

In this context, the Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO), invited experts from Japan and overseas and held an international symposium on January 17, 2001 to discuss the impact of China's entry into the WTO, both on China itself and on the global economy. This volume includes eight papers submitted to the symposium and a summary of presentations and discussions.

We would be pleased if this book provides a useful guide in thinking about the future global economy with China integrated as an indispensable member.

Co-editors
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