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## INTRODUCTION

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### The Rise of the PRC as an Economic Superpower

<b>The reform and opening-up .....</b>	<b>¶1-110</b>
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Over the course of the past decade, the People's Republic of China (PRC) has emerged as a true economic superpower. The PRC's GDP growth averaged 10.73% between 2002 and 2010 inclusive. In 2010, the PRC had overtaken Japan and become the second largest GDP of any nation state, behind only the USA.<sup>1</sup> The International Monetary Fund predicts China will overtake the USA in 2016.<sup>2</sup>

The growth in the PRC's export trade — the engine driving this economic miracle — has been startling. It rocketed from US\$360.6 billion in 1999 to US\$2,561.6 billion in 2008.<sup>3</sup> In 2010, the PRC was ranked first in terms of total export trade among all nations. Since its entry into the World Trade Organisation in 2001, the PRC has almost quadrupled its exports, while imports have more than trebled. In 2010, its trade surplus reached US\$232.1 billion.<sup>4</sup>

Today, the PRC makes 25% of the world's washing machines, 50% of the world's cameras and 70% of the world's toys.<sup>5</sup> The PRC is now at the very centre of international trade and commerce. Its importance as a trading partner is inescapable for the vast majority of economies and its impact on those economies is a matter of increasing debate.

#### ¶1-110 The reform and opening-up

The seeds of this growth were provided by the PRC's policy of "Reform and Opening-up" (改革开放 *Gaige Kaifang*). Following the death of Mao Zedong in September 1976, there was a power struggle among senior members of the Chinese Communist Party (CCP). This concluded with the rise to power of Deng Xiaoping. Deng

<sup>1</sup> <http://data.worldbank.org/>

<sup>2</sup> <http://www.dailymail.co.uk/news/article-1380486/The-Age-America-ends-2016-IMF-predicts-year-Chinas-economy-surpass-US.html>

<sup>3</sup> See supra note 1.

<sup>4</sup> Ibid.

<sup>5</sup> See e.g. China's Socio-Economic Achievements during the past 60 years, by the Embassy of the People's Republic of China in the Syrian Arab Republic (<http://sy.chineseembassy.org/eng/xwfb/t622842.htm>).