

The People's Republic of China



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Background

- ❖ **China is home to over 1.4 Billion Citizens on a Total Land Mass of 9,572,000 Sq Kilometers.**
- ❖ **The largest religion celebrated in China is Buddhism, with an estimated 180 million to 250 million practitioners in the Republic.**
- ❖ **China currently has the second highest GDP in the world, currently trailing the United States.**
- ❖ **China is a considered a developing country because:**
 - **Workers Wage; 24.7 Percent of Workers in China are paid under 5 Dollars and 50 cents**
 - **East China VS. West China: 94 percent of China's population resides in the Eastern Side of China while the other 6 percent of China lives in the rural/mountainous areas of the West.**

Textile and Apparel Industries (1 of 2)

❖ Then

- **China has one of the earliest and richest histories in the textile and apparel industries, which could be dated all the way back to the Han Dynasty (206 BCE - 222 CE.)**
 - **The three main textiles seen during the Han Dynasty was Silk, Wool, and Cotton**
- **While silk was a treasured textile in China's history, what launched China's textile industry, was their cotton industry.**
 - **Cotton in China's textile sector took off after the signing of the Treaty of Shimonoseki (1895) which was an agreement between Japan and China that allowed foreign countries to engage in any manufacturing works along the ports of China, as well as the imports of foreign machinery into China.**
 - **The signing of the treaty allowed for heavy change in Cotton production in China, with the increase of cotton production, workers, the number of cotton spindles and cotton mills.**

Textile and Apparel Industries (2 of 2)

❖ **Now**

- **The textile and apparel sector in China plays a huge part to their economy as 30 percent of the world's apparel is exported from China.**
- **As of recently China is constantly looking to improve and expand their textile sector, as they have conducted more than 26,000 R&D's (Research and Development Projects) since 2020**
 - **To put this into perspective, China's total research and development for their textile industry total was more than the research and development of their water and filtration, aerospace, seaships, aircrafts, and food manufacturing combined at a total of 19,665 research and development projects in 2020.**
- **Sustainability in the Fashion Industry is a current issue that China impacts heavily.**
 - **China accounts for more than 75 percent of the worlds synthetic textiles and fibers.**

Textile and Apparel Imports & Exports

- ❖ **In the present, China is the world's leading importer and exporter of both apparel and textiles.**
 - **China's most valued partner is the United States exporting over 361 Million USD to the States.**
 - **Looking at the Graph to the right side, the United States tallies more money spent on exports than their other 4 top trade partners COMBINED.**
- ❖ **China's exports worldwide combined is worth a total of 479 Million USD.**

China's Textile Complex Exported And Imported Values

In 2021 China's textile complex value mainly came from exports

■ Exported ■ Imported

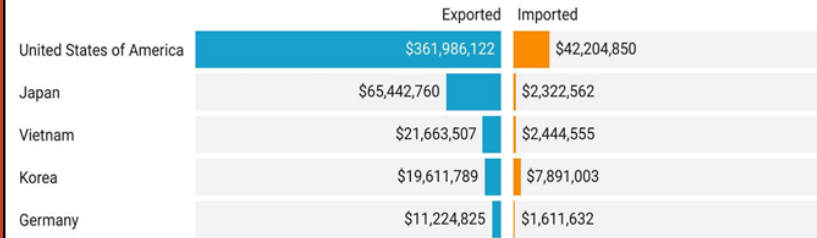


Chart: Brandon Bui • Source: Trade Map • Created with Datawrapper

“Figure 1:”, “A data chart created by Brandon Bui detailing China's textile sectors, top five trade partners, with statistics on their imports, and export values. (Bui,2023)

China's Role Global Trade and Production

- ❖ **China is very invested in the textile and apparel sector, as they are currently the world leaders in exports in this industry.**
 - **Looking back to the last slide, China exports a total of 479 Million US Dollars worth of textiles**
- ❖ **When talking about China's imports they are active but not at the top, as they are below Vietnam, and the United States**
 - **Vietnam being at the top shows that China is starting to become more developed as a country and starting to also rely on another developing country instead of just the developed United States. Although China still imports a lot less than what they export, this is a positive trend.**
- ❖ **With China climbing economically very soon they will be labeled as developed and slowly export less and import more into their country.**

Historical Review: United States and China (1 of 2)

- ❖ **Trade between the United States and China was established around 1784**
 - **As early as 1784 the United States were exporting furs, sandalwood, and ginseng, for a variety of valuable Chinese products ranging from silks, teas, porcelain, nankeen (durable strong cotton cloth similar to canvas), and furniture.**
 - **China would eventually deem the items they received from the U.S. invaluable and trade connections would fall out of line, until the U.S. saw China's trade patterns with Britain with the trade of Opium. The United States would copy Britain begin trading Opium with China, eventually causing conflict between China and Britain called the "Opium Wars."**

Historical Review: United States and China (2 of 2)

- ❖ **During the 18th century China had a developed economy, and goods that could not be produced locally in China were traded between citizens in different geographical locations. During the 18th century over 90 percent of goods were homegrown and produced in China making what they had during the time very exclusive and precious to the eyes of the west.**
- ❖ **Today, China is the world's largest exporter of apparel and textiles worldwide**
 - **China's textile and apparel sector exports over 361 million dollars worth of apparel to the US in 2021.**

Best Alternative for U.S. Business

- ❖ **Since China holds absolute advantage in the Textile and Apparel sector, The United States should be importing textiles and apparel from China in exchange more Machinery and Mechanical Appliance, Agriculture, Chemicals, Plastics, Rubber and Leather Goods (16.6%).**

What Fashion Companies Should Trade With China?

- ❖ **Because China does not have a niche target market, because the country produces so many different styles of dress for different brands I believe that All clothing brands in the United States, even ready-to-wear lines for high end fashion labels should look into producing with China, because of their current technological developments in the textile and apparel industry.**
 - **United States sportswear brands like Nike, Vans, and Under Armour, to bigger named luxury labels like Coach, Calvin Klein, and Ralph Lauren already produce in China, and should continue while China is still at its 'Golden Age' in the fashion industry.**



**FW 21 Stussy Overdyed Crochet Pocket Tee:
Made In China**



How to Import Your Clothing Items?

- ❖ **An American Company Importing clothes must make sure their products are in compliance with the rules and regulations of several different United States government agencies.**
- ❖ **The FTC: Federal Trade Commission makes labeling requirements like wash instructions and fiber content**
- ❖ **The CPSC: Consumer Product Safety Commission is in charge of product safety requirements like flammability**
- ❖ **The CBP: Customs and Border Protection is responsible for importing and exporting and making sure products entering the country are genuine, safe and lawfully sourced**
- ❖ **China is a member of the WTO**

Benefits And Losses of Importing

❖ **Benefits:**

- **China's lower wages allow for cheaper products = Higher profit margins for companies and more inexpensive everyday goods for the United States citizens**
- **Large orders - China can handle larger orders than other manufacturing countries because of better technology and resources**
- **Higher quality than other manufacturing countries**

❖ **Losses:**

- **Ethically questionable: China is known for Sweatshops-poor working conditions, poor wages and even forced Labor**
- **Transportation cost and time: Shipping can be expensive and take a long time**

Reflection - 2 Takeaways

- ❖ **China is the world's current leader in textile and apparel exports because of their mix of technology and number of factory workers.**
- ❖ **China is the United State's main trade partner as the United States is constantly importing textile and apparel from China.**

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