

# [China’s organization (wto). china became a member](https://assignbuster.com/chinas-organization-wto-china-became-a-member/)

China’s economic reforms successfully built an improvedenvironment for both state and private companies, providing them with thenecessary resources, such as infrastructure, access to capital and a moreprepared workforce.

In 1986, China obtained observer status under the GeneralAgreement on Tariffs and Trade (GATT) and since that year, it has begun workingtowards accession to the World Trade Organization (WTO). China became a memberof the World Trade Organization in 2001 and agreed to become a” responsible participant” and to accept the rules of the worldtrading system. Its market was opened to foreign investment and quotas andtariffs were reduced. At present, it is the second largest exporter afterGermany and the second largest importer after the United States. Due to its negotiation skills, China has huge commercialsurpluses and large reserves in foreign currency.

It also has the largestforeign exchange reserves in the world, more than $ 4 billion, an incredible 40percent of the country’s GDP. As a result, China has become a global manufacturingplatform, and currently has the largest manufacturing economy in the world. Forexample, China produces around 80% of the world’s air conditioners, 80% of theworld’s umbrellas, 70% of mobile phones and 60% of the country’s footwear.

Italso became, in 2007, the world’s largest producer of carbon dioxide, the maingreenhouse gas responsible for global warming. This was due to the growing demandfor coal to generate electricity and an increase in the production of cement tobuild infrastructure. The rapid development of China is an economicmiracle. No country in the world has grown in such a vertiginous way. Accordingto The Economist, Britain took more than 150 years since the beginning of theindustrial revolution to double GDP per person (measured in purchasing powerparity), from $ 1, 300 to $ 2, 600. About 120 years later, the United States, with a population similar in size to the United Kingdom, achieved the same inone third of the time. China has achieved it in only twelve years.