

The Export-Promoting Policy of the Nationalist Government
and The Foreign Trade Association of Chinese Industry
—China's Attempts at the Export-Oriented
Industrialization in the 1930s—

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As is well known, the question of how to develop the economy of a developing country is of major importance and involves the selection of a development strategy. According to the results of this paper, this was a problem facing China in the 1930s.

1. While China's efforts of import-substituting industrialization succeeded in some degree, the Chinese economy was forced to deal with new problems in the mid-1930s. In spite of the drastic decline in imports, the balance of trade deficit continued, for exports also decreased.

2. The Nationalist Government could not avoid adopting an export-promoting policy. Moreover the Minister of Industry, Chen Gong-bo, came up with the idea of focusing the export of industrial products to South-East Asia, which can be regarded as the beginning of China's attempts at export-oriented industrialization.

3. Some of the industrialists, especially those who managed the companies involved in the newly developed industries, organized a group called The Foreign Trade Association of Chinese Industry to support and promote this export-oriented industrialization.

4. However an analysis of the activities of The Foreign Trade Association of Chinese Industry in the 1930s shows the difficulties of China's export-oriented industrialization efforts. One of the major obstacles was that the world economy was being buffeted by waves of protectionism.