

Chinese trade

It is difficult to date precisely when long-distance trade emerged in the history of Chinese trade. Such trade would have been facilitated by the domestication of pack animals and there seems to be evidence of trade in silk and jade with countries such as Egypt from around 2000-1000 BC. The first recorded contacts between China and the West occurred around 200 BC as the Greeks extended their control eastward into Persia from where they sent out expeditions as far as Kashgar in Chinese Turkestan.

Around 130 BC, following reports from the Chinese envoy Zhang Qian (張騫, 195-114 BC) who travelled west in search of military alliances, the Emperor Wu of the Han dynasty (漢武帝, 156-87 BC) became interested in developing commercial relations with urban centres in modern Iran and Russia. To facilitate this trade, the “Silk Road” was established as an officially monitored trade route based on pre-existing routes in the region. The Silk Road allowed Chinese goods to be transported to India, Persia and the Roman Empire (and vice versa) and Chang’an (modern day Xi’an) at the eastern end of the route became a hub of foreign trade, travel and residence. Maritime trading routes had been established by 100 AD. Guangzhou was China's greatest international seaport during the Tang dynasty (618–907), though it was eclipsed by Quanzhou during the Song dynasty (960–1279).

Trade declined on the Silk Road during the fourteenth century, partly due to the increase in European maritime trade and partly because of a lack of political control along the route, previously provided by the Mongol Empire (1206-1368) under whom Marco Polo had travelled from Venice to China. By about 1400 the Silk Road had effectively stopped operating as a trading route for silk.

With the collapse of the Silk Road, European countries sought to establish sea routes which would allow direct trading between Europe and China. Such direct maritime trade started during the sixteenth century, after the Portuguese established the settlement of Goa (a small state on the western coast of India) followed by Macau in southern China. Trade between China and the West flourished and in 1711 the British East India Company established a trading post in Guangzhou. In 1760, the Chinese government introduced regulations to control foreign trade. Guangzhou was the only port open for foreign trade and all ships were required to stop first at Macao, sixty-five miles away, to hire a pilot licensed by the Chinese

government who would acquire the written permission required for a foreign ship to enter Chinese waters. The ships then sailed to Whampoa, an island thirteen miles from Guangzhou, where the loading and unloading of cargo took place. Trade was conducted with a small group of Chinese merchants established in 1782 to trade with foreign ships on behalf of the Chinese government.

As a result of the high demand for tea, silk, and porcelain in Great Britain and the low demand for British commodities in China, Britain had to pay for goods directly with silver. In the early 1700s Britain began exporting opium to China from British India as a way of buying Chinese goods. The Yongzheng Emperor (1678-1735) prohibited the sale and smoking of opium in 1729, allowing only a small amount of official opium imports for medicinal purposes. Despite these official restrictions, the opium trade took off rapidly and soon the Chinese were paying the British for opium, leading the Chinese government to once more ban the import of opium in 1799. However, the ban had little effect since the government based in Beijing in the north found itself unable to prevent merchants from smuggling opium into China from the south. The conflict led to the first Opium War (1839-1842), which ended with the signing of the Treaty of Nanjing in 1842. This established several coastal treaty ports, residence rights in China for British subjects, the payment of a \$21 million indemnity and the ceding of Hong Kong. The second Opium War (1856-1860), sometimes called the Arrow War, ended with similar results. Opium continued to be imported into China and reached its peak in 1873 with the import of 96,000 cases. In 1899, Chinese nationals rose up against the foreign presence during the so-called Boxer Rebellion (1899-1901). The rebellion failed, however, and foreign influence in China, particularly in terms of favourable trade terms with the West, continued.

The internal turmoil created by the fall of the imperial government in 1912 and subsequent civil war in China disrupted trade between China and other countries. Following the establishment of a communist government in 1948, foreign influences in China were expelled and the country looked to Soviet Russia as its main trading partner. Nowadays, China is a member of the World Trade Organisation (founded in 1995 to facilitate free trade between member states) and is part of the rapidly developing economy of the Pacific region.