Chinese trade

The area now covered by China was in contact with regions to its North and West from about the 3rd millennium BC, but contacts had been in existence within the landmass of China for many thousand years prior to that. The first recorded contacts between China and the West occurred around 200 BC when the Greeks extended their control eastward into Persia from where they sent out expeditions as far as Kashgar in Western China.

Around 130 BC, reports from the Chinese envoy Zhang Qian 张骞 (195-114 BC) who travelled west seeking military alliances encouraged the Emperor Wu (汉武帝, 156-87 BC) to begin trading with urban centres in modern Iran and Russia. Trade routes, later known as the ‘Silk Roads’, developed to transport goods between India, Persia and the Roman Empire (and vice versa) at the western end of the routes and the Han capital at Chang’an (modern day Xi’an) to the east. By AD 100, maritime trading routes were established. Trade declined on the Silk Roads during the 14th century, partly due to an increase in European maritime trade and partly due to a lack of political control along the routes, previously provided by the Mongol Empire (AD 1206-1368). By about AD 1400 the Silk Roads had effectively stopped operating as trading routes for silk.

With the collapse of the Silk Roads, European countries looked to sea routes to enable direct trade with China. Despite Ming dynasty (AD 1368-1644) reluctance, trade grew during the 16th century, as the Portuguese established the settlement of Goa on the west coast of India, followed by Macau in southern China. Trading flourished and in 1711 the British East India Company set up a trading post in Guangzhou. The Chinese sought to control the trade which could only be conducted with a small group of Chinese merchants established in Guangzhou in 1782, to trade on behalf of the government. Demand for Chinese goods, such as tea and porcelain, was high and cost Britain huge amounts of silver, so Britain began paying with opium. A ban on opium in China led to two wars in the 19th century; one result being the establishment of Hong Kong as a British colony in 1842.

The internal turmoil created by the fall of the imperial government of the Qing dynasty (AD 1644-1911) in 1911 and subsequent civil war in China disrupted trade between China and other countries. Following the establishment of a communist government in 1949, China looked to Soviet Russia as its main trading partner. Nowadays, China is a member of the World Trade Organization and is one of the fastest growing economies in the world.