

Table 1. Balance of Payment and Foreign Reserves of PRC

(Unit: one billion USD)

	2000	2001	2002	2003	2004*
Current balance	20.51	17.41	35.42	11.12	20.00
Trade	28.87	28.08	37.88	7.26	32.00
Capital balance	1.92	34.78	32.29	44.43	112.00
FDI	40.72	46.88	52.74	53.51	61.00
Errors & omissions	▲11.9	▲4.9	7.8	18.4	20.0
Foreign reserves	165.57	212.17	286.41	403.25	609.90

(Source) China Foreign Exchange Bureau, China Ministry of Commerce

* Provisional

Table 2. Background Comparison Between PRC and Japan

<u>For PRC</u>	<u>For Japan</u>
(Similarity)	
* US war on terror, Iraq	* US war in Vietnam
* PRC trade surplus with the US	* Japan trade surplus with the US
* US inflation pressure	* US inflation pressure
* US fiscal deficit	* US fiscal deficit
* PRC high foreign reserves	* Japan high foreign reserves
(Difference)	
* PRC FDI surplus	* Japan FDI deficit
* Major countries capital account liberalization already in place	* Major countries capital account liberalization not completed
* Some lessons can be learned	* No lessons learned
* PRC remains a developing country	* Japan was already an industrialized country

