

The Impact of Chinese Technical Barriers to Trade on its Manufacturing Imports

Mahdi Ghodsi

The Vienna Institute for International Economic Studies (wiiw)

Rahlgasse 3, 1060 Vienna, Austria

ghodsi@wiiw.ac.at

T: +43 1 533 66 10 – 55

F: +43 1 533 66 10 - 50

Abstract

In the past few decades China has put substantial efforts into liberalising its trade and economy that accelerated after its accession to the World Trade Organisation (WTO) in December 2001. In this period China has significantly reduced its tariffs on manufacturing imports. However, the proliferation of non-tariff measures (NTMs) imposed by China has made it the country notifying the second largest number of technical barriers to trade (TBTs) to the WTO after the United States. This paper investigates the impact of Chinese TBTs and tariffs on the import values of manufacturing products at the 6-digit level of the Harmonised System (HS) during 2002-2014. Heterogeneity of exporting firms, sample selection bias, multilateral resistances, and endogeneity bias are controlled according to the recent strands of gravity modelling. Results suggest a positive impact of tariff reduction and imposition of TBTs by China on its import values. However, controlling for endogeneity reduces the impact for both trade policy measures. Finally, the impact of Chinese TBTs is differentiated across exporting countries.

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