Reform and opening up in the new era: China trade policy review

Changyuan Luo1,2 | Yan Zhi3

1Institute of World Economy, Fudan University, Shanghai, China
2Shanghai Institute of International Finance and Economics, Shanghai, China
3Institute of World Economy, Shanghai Academy of Social Sciences, Shanghai, China

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1 | INTRODUCTION

In June 2018, the WTO issued a comprehensive report on China's trade policy from 2016 to 2018. Like the previous six reports (2006, 2008, 2010, 2012, 2014 and 2016), the 2018 analysis provided a general overview of China's macroeconomic environment and trade policy. The TPR was detailed and informative with comments that were generally objective and neutral (Yao & Liu, 2012). Using the WTO's publication as a reference point, our paper attempts to provide even further insight into the evolution of Chinese trade policy over a longer time frame, with a particular focus from 2013 to the present.

Before evaluating China's trade policy, it is necessary to note some trends in the international economic environment. Compared with the first decade of the twenty first century, the second decade has been marked by profound changes. In our view, there are four stylised facts that now characterise the new international economic environment: low levels of economic growth, absence of a science and technological revolution, lack of international cooperation and prevalence of uncertainty.

1.1 | Low levels of economic growth

According to the World Bank Indicators (WDI), the real growth rate of the world economy averaged 3.5% during the period 2000–07 and 2.8% during 2011–18. The corresponding values for exports were 6.5% and 3.9%; for imports, 7.1% and 3.8%; for FDI inflows, 21.7% and −3.5%; and for FDI outflows, 19.1% and −5.0%, respectively. Moreover, the income elasticities of exports, imports, FDI outflows and FDI