

Trade Facilitation & Poverty Reduction: the case study on China and ASEAN

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Outline

- Research objectives
- Research methods
- Trade facilitation and its impacts on poverty: results
- Conclusion and discussion

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1. Research objectives

- To explore how trade facilitation (TF) affects poverty reduction through trade and capital flow/ investment
- To do case study on impacts of TF on poverty reduction between China and ASEAN

2. Research methods

- a 3- step procedure is applied to test the impacts
- impacts of TF on trade, and calculate the elasticity
- impacts of trade on poverty reduction, and get the elasticity
- Calculate elasticity of TF on poverty reduction based on above two steps

In 1st step: we get the elasticity of TP on trade based on other researches.

In 2nd step: a system model is built to test impacts of trade on poverty redution, including 4 group 9 equations. The data is Chinese provincial data from 2000 to 2008.

In 3rd step: calculate the elasticity of TF on poverty reduction by multiply above elasticities.

3. Results

Impact mechanism of TF on Poverty reduction

Trade Facilitation Convenient port Simplified Customs Efficient institutions Convenient transportation and policy procedure e-commerce Trade liberalization: current & capital account Direct & indirect Good/service trade investment Exchange rate Capital flow Export competition Tariff& non-tariff Government Interest rate tax barrier Border prices tax Wholesale prices Firms Poverty reduction policy Government transferpaymen Factor Transfer Retail prices payment retum Consumer Residents (Poor people) Producer Shocks Poverty: Poor labor's wage + transfer payment

3. Result: impacts of TF on trade

- Case: bankok-Kunming Highway
 Cost and procedure of flowers exported from Yunan to Thailand pre and post highway
 - •Time: 7-8 days to 3 days
 - transportation cost: 7yuan/kg to 3yuan/kg
 - •customs procedure: 10 min to 30 sec (e-card).
- Reserach shows a increase in Port efficiency by 1% brings 1.48 % increase in trade of manufactured products of ASEAN (Sun Lin and Xufei Xu,2011).

https://www.yunbaogao.cn/report/index/report?reportId=5_7090 完整报告链接和二维码如下:

elasticity of TF on poverty

	import	export	Overall
on trade	1.02	1.07	-
on poverty	Ag. import	Ag. export	
	-0.05	1.03	0.9800
hina	-0.0559	0.3779	0.3220
hina	-0.1454	2.116	1.9706
China	-0.0228	0.5921	0.5693
on poverty			
	-0.0510	1.1021	/1.0511 \
hina	-0.0570	0.4044	0.3473
nina	-0.1483	2.2641	2.1158
China	-0.0233	0.6335	0.6103