

# SEMINAR

## Non-Tariff Trade Barriers in the U.S.-China Trade War

**By Prof. SONG Zheng, Michael**

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**Date: 20 October 2022 (Thursday)**

**Time: 2:30PM – 4:00PM**

**Venue: WYL314, 3/F, Dorothy Y. L. Wong Building, Lingnan University**

### ABSTRACT:

We use Chinese customs data to show that unofficial non-tariff barriers were responsible for 50% of the overall reduction in Chinese imports from the U.S. during the height of the U.S.-China trade war in 2018 and 2019. We infer non-tariff barriers from the change in imports of U.S. products relative to imports from other countries of the same HS-6 product, after controlling for the change in the relative price of U.S. imports to the same product sold by other countries. These barriers were imposed on a small number of agricultural products, did not apply to state-owned importers, and were larger for products where the share of state importers in total imports of the U.S. product was large. Non-tariff barriers were responsible for more than 90% of the welfare cost to Chinese consumers of the U.S.-China trade war. The welfare loss to China of a given reduction in imports from the U.S. from non-tariff barriers is about six times larger than an equivalent import decline due to higher tariffs. Non-tariff barriers are more costly compared to tariffs because they applied to some importers and not others, which results in misallocation, and because non-tariff barriers do not generate revenues.

### BIOGRAPHY:

Zheng (Michael) SONG is Wei Lun Professor of Economics and the Head of the Department of Economics, Chinese University of Hong Kong (CUHK), a Co-Director of CUHK-Tsinghua Joint Research Center for Chinese Economy, a Co-Director of CUHK-Zhejiang University Joint Research Center for Digital Economy and a Distinguished Visiting Professor at Tsinghua University and Zhejiang University. He received B.A. from Shanghai Institute of Foreign Trade (1997), M.A. from Fudan University (2000) and Ph.D. from Stockholm University (2005). Before joining CUHK, he was an Assistant/Associate Professor of Economics at Chicago Booth (2011-15), a Visiting Scholar/Assistant Professor of Economics at CUHK (2009-11) and a Research Fellow at Fudan University (2005-09). He is a Senior Fellow of ABFER and a Fellow of Luohan Academy. His research focuses on Chinese economy and macroeconomics. His papers were published by leading academic journals including American Economic Review, Econometrica and Journal of Political Economy. He won Sunyefang Economic Science Award in 2013. He is an Associate Editor of Econometrica, Review of Finance and was a Co-Editor of China Economic Review. He sits on a number of academic advisory boards such as China's Economics Foundation and Hong Kong Institute for Monetary and Financial Research.

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