Measuring the International Trade in Goods Based on Ownership for China: 2006-2010

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In the context of globalization, multinational enterprises arrange production all over the world, so that the foreign commercial presences broaden the coverage of international trade. China is involved in globalization deeply where more than half of its surplus in commodity trade is created by the China’s affiliates, especially the processing trade enterprises. What is the impact of the multinational enterprises to Chinese System of International Trade? In this paper, we discuss the methods to measure international trade both in goods and in services, collect the data dispersed in several government organizations such as the National Bureau of Statistics, Ministry of Commerce and Administration of Foreign Exchange of China, and provide the ownership-based evaluation of trade in goods. We find wholly-foreign owned firms impact the surplus in trade of goods in China significantly. Our research is a kind of complement for Balance of Payments of China and provides the experience to use existent data of Chinese system of government statistics to evaluate the international trade in goods by the ownership-based approach.

Key words: trade in goods; ownership-based framework; China; foreign direct investment enterprises