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 and the export and import may be exaggerated. China is involved in globalization deeply where more than half of its surplus in commodity trade is created by the foreign direct investment enterprises, especially the processing trade enterprises. What is the impact of the multinational enterprises to Chinese System of National Accounts? 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 commodities. We find wholly-foreign owned firms impact the surplus in commodity trade 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.