



## **CHANGES IN CHINA'S TARIFF POLICY: OPPORTUNITY FOR U.S. EXPORTS?**

Li Zhang

Univ. of Missouri, Columbia, MO 65202

Marsha Dickson

Ohio State Univ., Columbus, OH 43210

Exporting more textile and apparel products can help the U.S. balance its trade deficit with China (Jacobs, 1997) and may be possible due to the favorable attitudes of Chinese consumers toward U.S. apparel products (Roberts, Barnathan, & Clifford, 1997). Utilizing secondary data, this study argues that China's changing tariff policies can also enhance the possibility for the U.S. to export more apparel to the Chinese market.

China has traditionally used high tariffs to protect its textile and apparel industries. Although China had reduced tariff rates on textiles and apparel from 1985 to 1997 to assure its entry into the World Trade Organization, the tariffs are still higher than those of other countries. China's tariff structure on textiles and apparel is also problematic because, compared with the tariff structures of textiles and apparel in most countries, China's tariffs on finished products such as apparel are high in relationship to those on textile materials or semi-finished products. A too high average tariff rate and the irregular tariff structure suggest that China must implement further changes in tariff policy. Both tariff reduction and tariff structural adjustment in China make further export of U.S. apparel to China promising.

Jacobs, B. A. (1997). Talking textiles. China Business Review, 24(2), 30-37.

Roberts, D., Barnathan, J., & Clifford, M. (1997, November 10). Big bird heads for Shanghai. Business Week, p. 66E2.