4

WTO accession and regional incomes

Tingsong Jiang

As observed by many authors (Wu 1999, Sun 2000, Sun and Parikh 2001), the income gap between China's coastal and inland regions has widened since economic reforms began in 1978. The literature on regional income disparity in China has concentrated on two aspects: the measurement and pattern of regional disparity (Wu 1999) and its sources (Sun 2000, Bao et al. 2001, Démurger et al. 2001). Few authors have discussed the impact of WTO accession on regional incomes. This chapter discusses this issue explicitly, in addition to the exploration of new trends and sources of regional income disparity, using the most recent statistics.

REGIONAL INCOME DISPARITY IN CHINA

A set of regional income disparity indicators are calculated using the regional per capita GDP data from 1978 to 2000: the unweighted and population-weighted standard deviations (STDUW, STDPW), coefficients of variance (CVUW, CVPW), Gini coefficients (GUW, GPW) and the Theil index (T).[1] The per capita GDP data are evaluated at both current and 1978 prices (Table A4.1 and Figures 4.1–4.5).

The gap in per capita GDP between rich and poor provinces has been widening since 1978, as evidenced by the standard deviation series in Table A4.1. However, the values of relative indicators (coefficient of variance, Gini coefficient and Theil index) in 2000 are more or less the same as in 1978. This suggests that regional income disparity in China is mainly driven by overall economic development (higher average per capita GDP).

FIGURE 4.1 **COEFFICIENT OF VARIATION OF REGIONAL PER CAPITA GDP**

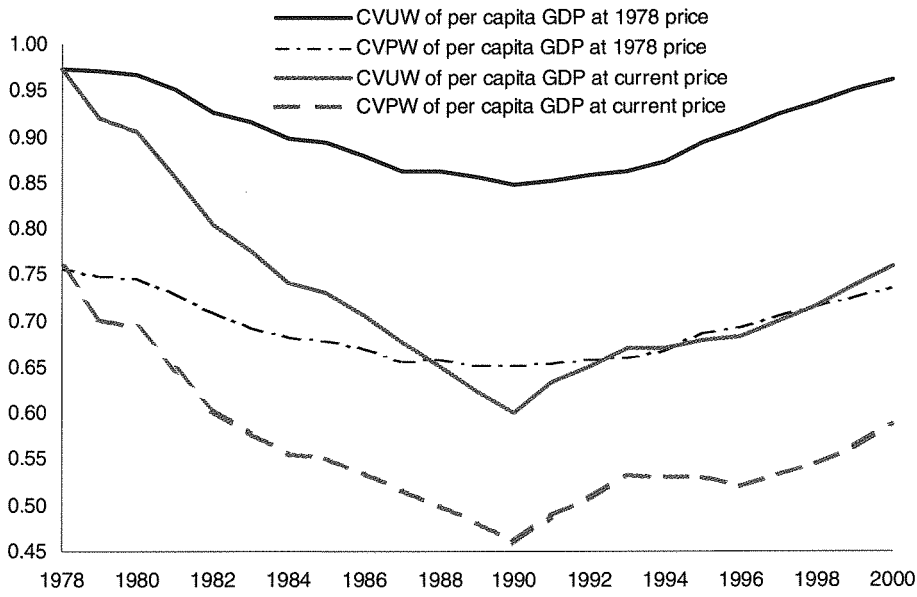


FIGURE 4.2 **GINI COEFFICIENT OF PER CAPITA GDP**

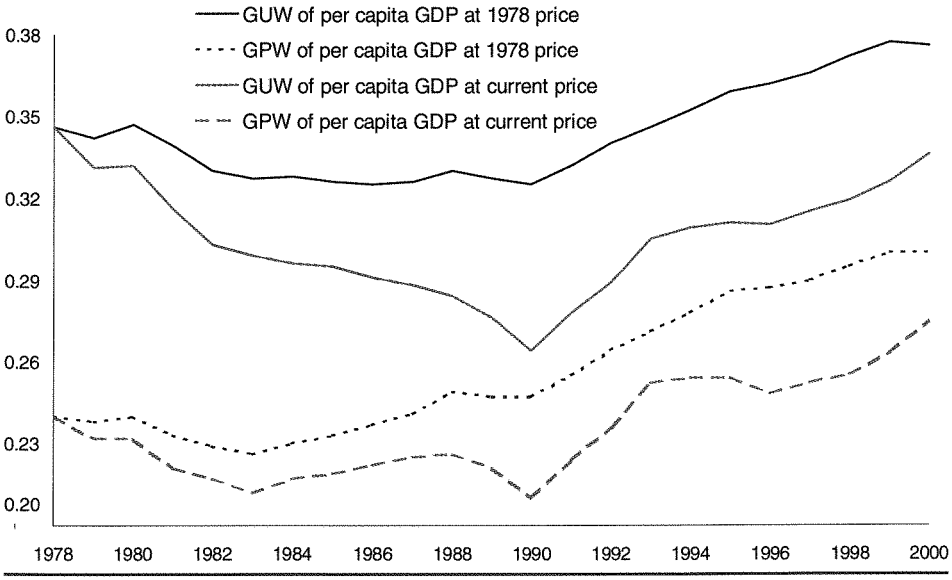
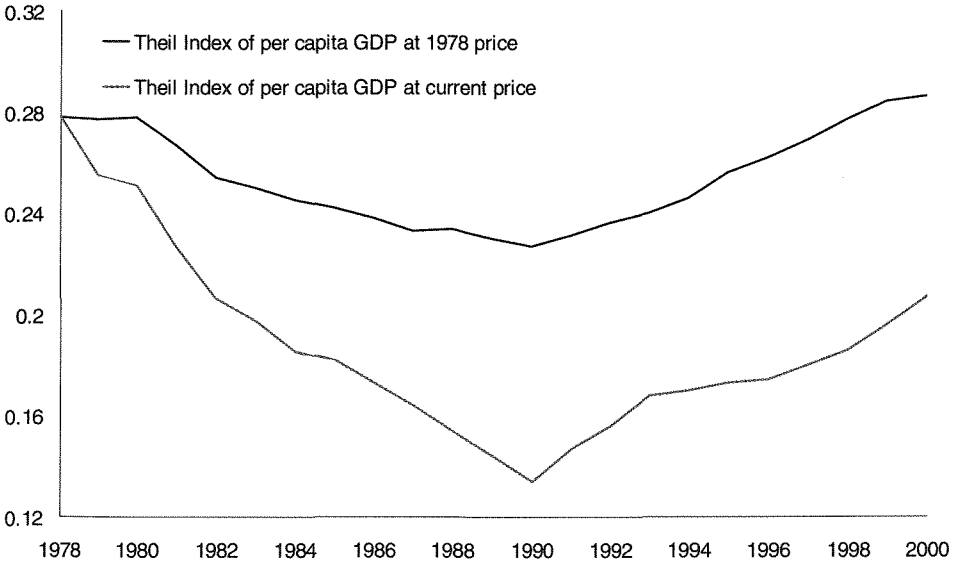


FIGURE 4.3 **THEIL INDEX OF REGIONAL DISPARITY**



The disparity pattern changed significantly during the period between 1978 and 2000. The path of disparity indicators shows that the whole period can be divided into two sub-periods: 1978–90 and 1990–2000. The degree of regional disparity remained unchanged during the first sub-period or even decreased for some indicators, but it increased significantly during the second sub-period. This pattern of change in regional income disparity seems to be closely related to the economic reforms and the development process in China.

During the first half of the first sub-period (1978–84), China successfully implemented agricultural reform and, consequently experienced high economic growth in the agricultural sector. Because the poorer provinces have higher agricultural shares in their economic structure than the richer, the boom in agriculture helped to reduce regional income gaps. During the second half of the first sub-period, China began urban economic reforms and the opening up of the coastal regions for foreign investment. But these reforms did not have an immediate impact on regional growth disparity.

During the second sub-period (1991–2000), the urban reforms initiated in the late 1980s were broadened and the effects have become evident. The most important

TABLE 4.1 **BETA CONVERGENCE OF PER CAPITA GDP, 1978–2000**

Period	National		Eastern region#	Central region#	Western region#
	without dummy	with dummy+			
1978–2000	0.254	1.077	0.882	2.122	1.786
	(0.589)	(0.002)	(0.107)	(0.006)	(0.030)
1978–90	0.690	1.242	1.077	1.739	2.270
	(0.131)	(0.008)	(0.133)	(0.084)	(0.066)
1978–84	0.956	1.493	1.136	2.637	3.649
	(0.103)	(0.018)	(0.190)	(0.100)	(0.064)
1985–90	0.330	1.079	0.907	1.023	3.158
	(0.609)	(0.125)	(0.287)	(0.429)	(0.335)
1991–2000	-0.935	0.845	0.506	3.452	1.945
	(0.177)	(0.089)	(0.428)	(0.020)	(0.225)
1991–95	-1.239	1.896	1.595	5.496	1.714
	(0.273)	(0.016)	(0.141)	(0.012)	(0.510)
1995–2000	-0.723	-0.378	-0.709	1.648	1.936
	(0.072)	(0.477)	(0.307)	(0.402)	(0.253)

Notes: Beta convergence ratio is in percentage, numbers in parentheses are p-values. + The dummies include one each for the central and western regions. # Please see note 3 for the classification of regions.
Source: Author's computations.

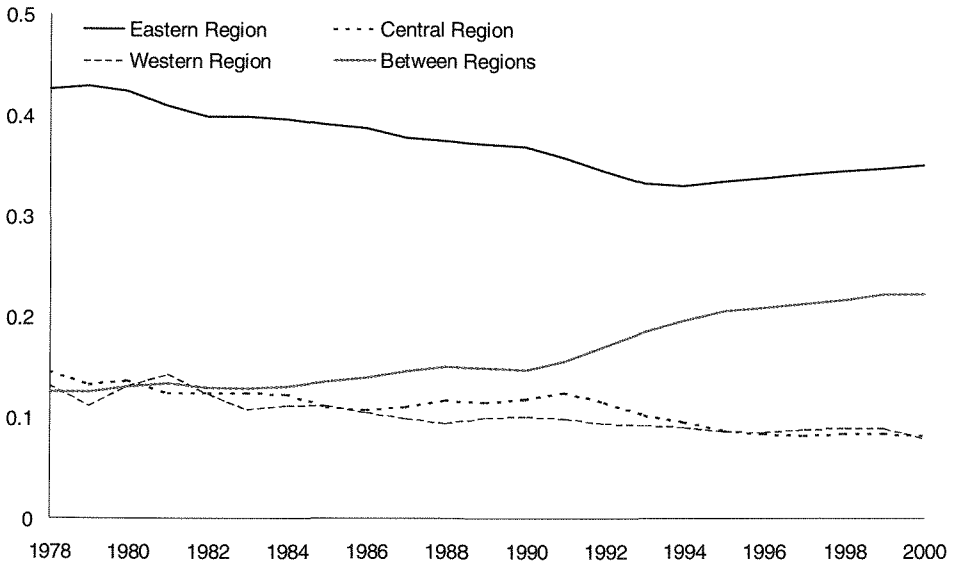
effect was the decline of the state-owned economy. Because the central and western regions have a higher share of SOEs in their economy, their growth has been hindered. On the other hand, the eastern region has benefited from the rapid growth of foreign investment and non-state-owned enterprises.

This pattern is confirmed by the estimation of beta convergence which measures how fast poorer regions catch up with richer [2] (Table 4.1). There was weak beta convergence during the period 1978–90, while divergence was observed for the period 1991–2000.

Because of significant differences in their natural and economic circumstances, mainland China's 31 provinces, autonomous regions and municipalities are often grouped into three regions: the eastern coastal, central and western regions.[3] The degree of income disparity decreases within each of these regions while it increases between them. Relative disparity indicators display this pattern, among which the unweighted Gini coefficients are reported in Figures 4.4 and 4.5.

These figures also show that the degrees of disparity in the two inland regions are similar, while the level of income disparity in the eastern coastal region is much

FIGURE 4.4 **GINI COEFFICIENT WITHIN AND BETWEEN REGIONS**

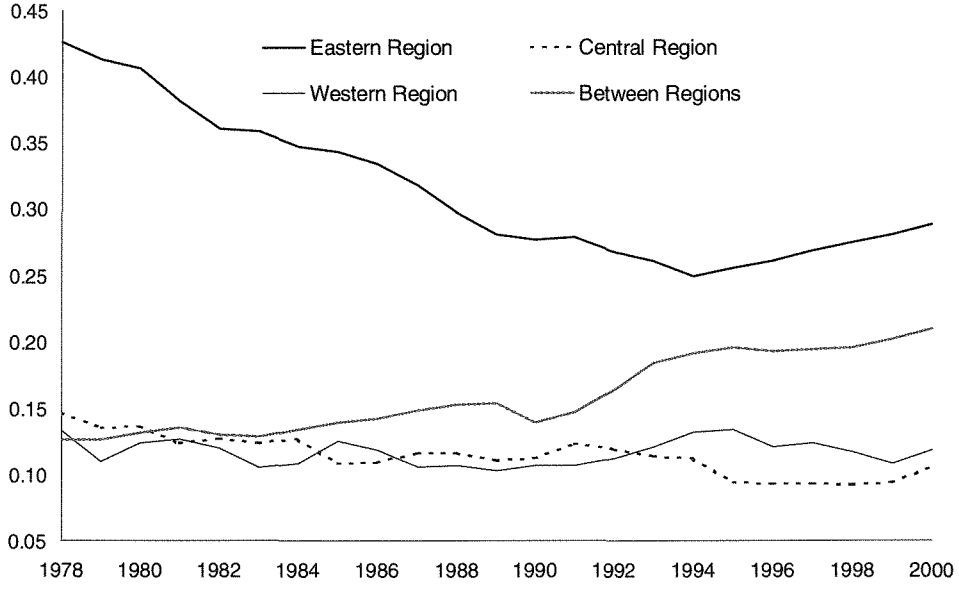


higher. This is not surprising because the grouping is mainly based on geographical location. The eastern region includes the three richest municipalities which some authors claim are outliers (Wu 1999, Démurger et al. 2001) and the most dynamic economic areas in the country, as well as poor provinces like Guangxi and Hainan. They are grouped together purely because they are located along the coast.

FACTORS AFFECTING REGIONAL GROWTH

The literature has suggested over 60 factors affect economic growth (Sala-i-Martin 1997). As regards regional development and income disparity in China, geography, economic policy, economic structure, education and infrastructure are the most frequently mentioned factors (see Bao et al. 2001, Démurger 2001 Démurger et al. 2001, Sun 2000 and Wu 2000). This issue is reinvestigated using the data from 1978 to 2000. The growth rate of per capita GDP during different periods is regressed against different factors. Some of the estimation results are reported in Table 4.2. The following factors are identified as being important, either positively or negatively, for regional growth rates.

FIGURE 4.5 **GINI COEFFICIENT WITHIN AND BETWEEN REGIONS**



Economic structure and ownership

In all estimations, the share of SOEs in total industrial output value has a significant negative coefficient. This is understandable because SOEs have become a symbol of low efficiency and poor competitiveness. On the other hand, the share of the primary sector in total GDP (PRIM) has different impacts over time. It has a significant positive coefficient before 1996. This seemingly paradoxical result arises from the fact that about 70 per cent of Chinese people live in rural areas and most of them are engaged in primary industries, and thus the primary sector plays an important role in the growth of per capita GDP. As pointed out above, the rapid growth of the Chinese econmy was initially boosted by the rural economic reforms. Therefore, PRIM is significant during this period. However, as the economy grows, the share of primary sector has been declining and its importance diminishes. This explains why it was insignificant or had a negative impact on income growth during the most recent years (1996–2000).

TABLE 4.2 **SELECTED ESTIMATION OF FACTORS AFFECTING REGIONAL GROWTH**

	1978–90	1991–95	1996–2000			
			Model 1	Model 2	Model 3	Model 4
GDP0	-5.2E-05	-0.67E-05	-4.62E-06	-5.50E-06		
	(0.231)	(0.270)	(0.139)	(0.075)		
EDU	0.15607				5.36E-02	4.19E-02
	(0.039)				(0.016)	(0.059)
RAIL	-0.09423		0.53868	0.49868		
	(0.109)		(0.050)	(0.070)		
WATER		0.049019	9.55E-02	0.10216		
		(0.358)	(0.068)	(0.048)		
HIGH	0.028022	0.064809				
	(0.453)	(0.038)				
PRIM	0.000898	0.001028	-5.14E-04	-5.90E-04		
	(0.037)	(0.005)	(0.155)	(0.100)		
SOE	-0.00099	-0.001283	-3.15E-04		-4.34E-04	
	(0.047)	(0.000)	(0.008)		(0.000)	
OPEN	0.012761	0.010365				
	(0.038)	(0.059)				
MARKET				3.78E-03		5.16E-03
				(0.007)		(0.000)
EAST	-0.02167	0.025126				
	(0.092)	(0.026)				
CENTRAL	-0.01504	0.012148				
	(0.096)	(0.054)				
R^2	0.5846	0.9300	0.6232	0.6263	0.4945	0.5004

Notes: Numbers in parentheses are p-values
Source: Author's computations.

Infrastructure

Infrastructure is another factor contributing to the economic growth. It is represented in estimations by the intensity of railway (RAIL), navigable waterways (WATER) and highways (HIGH). HIGH in 1991–95 and RAIL and WATER in 1996–2000 had a significant positive impacts on regional growth.

Education

Education (EDU), measured by the proportion of people receiving education of junior secondary school and above, has a significant positive relationship with per

capita GDP growth as evidenced by estimations for the periods 1978–90 and 1996–2000 (models 3 and 4). [4]

Economic policy

During the period 1978–95, economic policy is represented by the OPEN index developed by Démurger et al. (2001), constructed according to the type and number of various special economic zones in each province. The coefficient of OPEN is significant during the periods 1978–90 and 1991–95, indicating the opening-up policy contributed to the economic growth. However, as the policy was developed, special economic zones were established in almost every region. As a result, the OPEN index became an inappropriate indicator for economic policy as the index in different regons became similar. To better approximate economic policies, a marketisation index (MARKET) developed by Fan and Wang (2001) is used in the regression for the period 1996–2000. The MARKET index considers the relationship between government and firms, development of non state-owned sectors, development of product and factor markets, and regulations. The estimation indicates a positive significant relationship between marketisation and economic growth.

Geographical location

Regional dummies are significant in most estimations even if the above variables are included. This suggests that geographical location is an important factor. The negative sign and magnitude of EAST and CENTRAL during the period 1978–90 confirm the previous finding that regional per capita income was converging in that period. By contrast, the coefficients of EAST and CENTRAL during the period 1991–95 indicate divergence.

IMPACT OF WTO ACCESSION

The impact of WTO accession on regional development is analysed using a general equilibrium model of the Chinese economy developed by Yang and Huang (1997). The model includes six representative households: three rural and three urban households. The three categories of rural households are classified in broad concordance with the eastern, central and western regions (note 3). This feature makes it suitable for analysing the regional impacts of WTO accession.

There are 50 commodities in the economy, of which 20 are agricultural and 30 are industrial. The agricultural commodities are produced solely by the rural sector. The industrial commodities are produced by both the rural and urban sectors. Therefore,

there are a total of 80 sectors in the model. The breakdown of rural and urban industries is necessary because rural industries tend to be labour-intensive and segregated from their urban counterparts.

The analysis is focused on the tariff cuts required by China's WTO commitments as they are the most important and obvious part of the requirements. The necessary tariff cuts are reported in Table A4.2. Tariff rates are only roughly consistent with the requirements in Annex 8: Schedule CLII of Protocol on the Accession of the People's Republic of China because the detailed import data for recent years are not available.

The results of simulating the tariff cuts are reported in Tables 4.3 and 4.4. Real GDP increases by 2.6 per cent, and welfare as measured by equivalent variation increases by 80 billion yuan. The economy is invigorated by cheaper inputs on the supply side and higher real income on the demand side. Following the tariff cuts and higher demand for imported goods, China's terms of trade deteriorate and the trade balance declines by about 12.1 billion yuan.

Although the whole economy benefits from the tariff cuts, its impacts are not uniform. Two patterns of income distribution can be observed from the simulation results. First, the real income of rural households increases to a larger degree than for urban households. This is attributed to the fact that rural output increases while urban output declines. The differential impact on rural and urban sectors helps to reduce rural–urban inequality.

TABLE 4.3 **MACROECONOMIC EFFECTS OF TARIFF CUTS**

Real GDP (%)	2.6
Equivalent variation (billion yuan)	79.6
GDP deflator	-5.4
CPI	-4.9
Total savings (nominal, %)	-2.9
Government revenue (nominal, %)	-2.9
Change in trade balance (billion yuan)	-12.1
Terms of trade	-1.1
Rural output (%)	0.9
Farm output (%)	0.2
Non-farm output (%)	1.2
Urban output (%)	-0.5
Total non-farm output (%)	0.1

Source: Author's computations.

TABLE 4.4 **INCOME DISTRIBUTION EFFECTS OF TARIFF CUTS**

Household	Equivalent variation (billion yuan)	Real income after tax (%)	Real consumption (%)
Rural household 1	21.0	2.7	2.9
Rural household 2	10.4	1.8	1.9
Rural household 3	3.5	2.1	2.2
Urban household 1	16.5	2.2	2.3
Urban household 2	6.0	1.5	1.6
Urban household 3	2.9	1.0	1.1

Source: Author's computations.

Second, the real income of the wealthiest households (household 1) in rural and urban areas increases the most. As households 1, 2 and 3 represent the eastern, central and western regions, respectively, this result suggests that regional income disparity will deteriorate after WTO accession. This pattern can be explained as follows. Rural households in the eastern region have greater access to the non-farming sectors which grow faster than the farming sectors, and therefore benefit more than other households. The urban economy in the eastern region is more open than the other regions; for example, it has a higher proportion of non state-owned enterprises, and its level of technology, management and thus, competitiveness, is higher than other regions. As a result, it benefits more from China's WTO accession.

However, these results should be interpreted with caution as only the WTO tariff cuts are considered in the analysis. For example, the simulation suggests that farming output will increase by 0.2 per cent, which may not be consistent with the prediction that WTO accession has an adverse impact on China's agricultural sector. The simulation results can be justified by the following arguments. First, in recent years the domestic prices of rice and wheat have been significantly lower than the world price as measured by CIF prices (Wu 2001). Second, the current tariff rates for grains within TRQ (0–3 per cent) already meet the WTO requirements. Therefore, the tariff cuts will not negatively affect agricultural production. However, as China's agricultural production costs are higher than the world level (Huang and Ma 2001) and, consequently, the domestic equilibrium prices of agricultural products are higher (Wang 2002), it is inevitable that WTO accession will have a negative effect on China's agricultural sectors. From the finding in the previous section,

TABLE 4.5 **REGIONAL DISTRIBUTION OF FOREIGN INVESTMENT (PER CENT)**

Year	Eastern	Central	Western
1990	86.2	10.9	2.9
1991	83.5	12.7	3.8
1992	84.4	10.1	5.5
1993	86.5	9.9	3.6
1994	84.3	12.0	3.6
1995	83.5	12.5	4.0
1996	84.2	12.3	3.5
1997	82.6	13.0	4.4
1998	82.9	13.0	4.1
1999	88.0	9.2	2.8
2000	88.1	9.0	2.9

Source: Author's computations.

this will widen the regional income gap further.

Another effect that the simulation does not capture relates to capital flows. It is expected that there will be a large increase in foreign investment in China (Chen 2001). Because of the higher returns in the eastern coastal region, over 80 per cent of foreign capital has been invested in this area, and the share has been rising since 1997 (Table 4.5). If this trend persists, regional income disparity will deteriorate further.

CONCLUSION

Regional income disparity in China fell between 1978 and 1990. However, it has been increasing since 1991. The widening of the regional gap is mainly due to the regional differences in economic structure, notably the share of SOEs, infrastructure, geographical location and economic policies.

As the eastern region has a higher share of non-farming industries in the rural economy and a more efficient urban economy than other regions, WTO accession will tend to widen the existing regional income gap.

To mediate the adverse impact of WTO accession on regional growth, the following strategies could be considered.

First, the policies implemented in the coastal region could be extended to the inland regions with a more 'favourable' context. These policies could be divided into two categories. Policies in the first category could be 'true' preferential policies—for

example, lower tax rates and cheaper land prices lower than market prices, or just let the market work to reflect lower opportunity cost of land—which could offset to some degree the geographical disadvantage of the central and western regions. Other policies could be better described as 'market-oriented' rather than 'preferential' policies. These policies—for example, lifting the government's control and support to SOEs—could help to create a favourable market environment for all players in the economy.

Second, economic structure plays an important role in regional development. Because of the significant differences in resource endowments, it is inevitable that labour and resource-intensive sectors will be relocated from coastal to inland regions. The government should acknowledge this process and make sure it is a smooth adjustment. At the same time, the government should promote the development of the private sector in the inland regions.

Third, the role of large cities should be given more attention in regional development. It has been an implicit policy to control the development of large cities in China because of the lack of administerial capacity and funds to be invested in infrastructure. However, the success in the coastal region has demonstrated the important role of large cities, which have economies of scale and assist the development of surrounding areas. Moreover, large cities in the western region like Chongqing and Xi'an, have equivalent fundamental economic factors (for example, the number of higher education and research institutions, infrastructure, economic structure, and so on) to big cities in the coastal region. Making full use of these factors may well foster regional development.

Fourth, as the CGE model predicts, rural non-farm output will increase faster than farm output (1.18 versus 0.21 per cent). Consequently, there will be a large amount of labour moving from farming to the non-farming sectors. The degree of movement may be higher if the comparative disavantage of some agricultural products is fully considered. The government should provide training and information services to farmers to foster this movement.

Finally, economic success in coastal regions raises the cost of labour and land, which in turn increases inland provinces' competitiveness in supplying labour and land-intensive goods and services to the most developed provinces. Therefore, infrastructure and regulation affecting inland-coastal trade becomes more important. As the whole economy gains from WTO accession, the central government may be able to increase transfer payments to improve infrastructure in the central and

western regions. Such improvement in infrastructure could also be achieved through the deregulation of the electricity, railway transportation and telecommunication sectors.

Acknowledgments

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Notes

[1] See Appendix for the formula for calculating these indicators. The Theil index is calculated without using population as a weight because the index's upper limit is $\ln N$, where *N* is the number of individuals or regions. If the population weight is used, the upper limit would not be fixed and the index is not comparable over time.

[2] Beta convergence can be estimated by $\ln Y_{iT} - \ln Y_{i0} = c - (1 - e^{-\beta T}) \ln Y_{i0} + \varepsilon_i$, where YiT and Yi0 are, respectively, per capita GDP at time T and time 0; β is the beta convergent coefficient; and ε is the error term. Clearly, a positive (negative) β indicates convergence (divergence).

[3] It is commonly accepted that the eastern coastal region includes Beijing, Tianjin, Hebei, Liaoning, Shanghai, Jiangsu, Zhejiang, Fujian, Shandong, Guangdong, Guangxi and Hainan; the central region includes Shanxi, Inner Mongolia, Jilin, Heilongjiang, Anhui, Jiangxi, Henan, Hubei and Hunan; and the western region includes the remaining six provinces, three autonomous regions and one municipality. This paper adopts this classification.

[4] EDU is not included in some estimations because it is highly correlated with other variables, for example, the correlation coefficient between EDU and initial per capita GDP level (GDP0), RAIL, HIGH and PRIM are, respectively 0.75, 0.81, 0.63 and 0.83 during the period 1991–95.

APPENDIX

Formula for calculating regional disparity indicators

$$STDUW = \sqrt{\frac{\sum_i (Y_i - \bar{Y})^2}{N}}$$

$$STDPW = \sqrt{\frac{\sum_i P_i (Y_i - \hat{Y})^2}{\sum_i P_i}}$$

$$CVUW = \frac{STDUW}{\bar{Y}}$$

$$CVPW = \frac{STDPW}{\hat{Y}}$$

$$GUW = \frac{\sum_i \sum_j |Y_i - Y_j|}{2N^2 \bar{Y}}$$

$$GPW = \frac{\sum_i \sum_j |Y_i - Y_j| P_i P_j}{2\left(\sum_i P_i\right)^2 \hat{Y}}$$

$$T = \sum_{i=1}^{N} \frac{Y_i}{N\bar{Y}} \ln\left(\frac{Y_i}{\bar{Y}}\right)$$

TABLE A4.1 **REGIONAL INCOME DISPARITY**, 1978–2000 (GDP PER CAPITA)

1978 PRICES

	STDUW	STDPW	CVUW	CVPW	GUW	GPW	Theil
1978	449.47	276.54	0.974	0.757	0.346	0.240	0.278
1979	474.67	292.76	0.971	0.749	0.342	0.238	0.277
1980	508.03	313.09	0.968	0.747	0.347	0.240	0.278
1981	520.59	320.61	0.951	0.731	0.339	0.233	0.267
1982	543.62	335.79	0.926	0.709	0.330	0.229	0.254
1983	583.21	360.26	0.915	0.694	0.327	0.226	0.250
1984	652.87	404.29	0.896	0.683	0.328	0.230	0.245
1985	724.89	451.42	0.893	0.679	0.326	0.233	0.242
1986	753.03	472.58	0.879	0.670	0.325	0.237	0.238
1987	800.99	507.79	0.863	0.657	0.326	0.241	0.233
1988	872.61	558.37	0.862	0.658	0.330	0.249	0.234
1989	886.99	567.07	0.855	0.652	0.327	0.247	0.230
1990	911.30	585.76	0.848	0.651	0.325	0.247	0.227
1991	979.76	632.55	0.852	0.653	0.332	0.255	0.231
1992	1119.94	730.68	0.857	0.659	0.340	0.264	0.236
1993	1281.61	844.65	0.862	0.661	0.346	0.271	0.240
1994	1464.37	971.69	0.872	0.668	0.352	0.278	0.246
1995	1669.15	1121.15	0.893	0.687	0.359	0.286	0.256
1996	1873.43	1251.24	0.908	0.693	0.362	0.287	0.262
1997	2099.15	1401.95	0.924	0.705	0.366	0.290	0.269
1998	2325.57	1550.79	0.937	0.715	0.372	0.295	0.277
1999	2555.02	1704.24	0.951	0.727	0.377	0.300	0.284
2000	2780.32	1912.47	0.960	0.736	0.376	0.300	0.286

CURRENT PRICES

1978	449.44	276.52	0.973	0.757	0.346	0.240	0.278
1979	463.52	286.82	0.919	0.701	0.331	0.232	0.255
1980	501.01	310.64	0.905	0.690	0.332	0.232	0.251
1981	503.52	312.87	0.856	0.645	0.316	0.221	0.227
1982	514.64	322.45	0.804	0.604	0.303	0.217	0.206
1983	542.93	340.95	0.776	0.577	0.299	0.212	0.197
1984	607.00	386.02	0.741	0.555	0.296	0.217	0.185
1985	713.63	456.72	0.731	0.550	0.295	0.219	0.182
1986	754.55	491.95	0.705	0.534	0.291	0.222	0.173
1987	832.91	555.17	0.677	0.515	0.288	0.225	0.164
1988	984.48	669.24	0.650	0.499	0.284	0.226	0.154
1989	1049.24	722.35	0.624	0.481	0.276	0.221	0.144

	STDUW	STDPW	CVUW	CVPW	GUW	GPW	Theil
1990	1112.46	762.14	0.601	0.461	0.264	0.210	0.134
1991	1324.71	911.80	0.634	0.489	0.278	0.224	0.147
1992	1638.81	1148.74	0.649	0.508	0.289	0.236	0.156
1993	2191.63	1573.33	0.671	0.533	0.305	0.252	0.168
1994	2848.15	2055.30	0.671	0.530	0.309	0.254	0.170
1995	3577.53	2586.25	0.679	0.530	0.311	0.254	0.173
1996	4178.85	2972.95	0.682	0.521	0.310	0.248	0.174
1997	4789.92	3385.53	0.700	0.532	0.315	0.252	0.180
1998	5266.62	3705.09	0.715	0.544	0.319	0.255	0.186
1999	5755.56	4041.93	0.738	0.564	0.326	0.263	0.196
2000	6522.64	4707.79	0.759	0.587	0.336	0.275	0.207

Source: Author's computations.

TABLE A4.2 **CHINA'S TARIFF RATES AFTER WTO ACCESSION**

Commodity	Baseline rate	WTO rate	Tariff change (%)
Rice	-	-	n.a.
Wheat	-	-	n.a.
Corn	-	-	n.a.
Other grains	17.7	3.0	-83.04
Cotton	12.5	1.0	-92.00
Oil crops	-	-	n.a.
Sugar crops	49.3	20.0	-59.43
Vegetables	47.5	13.0	-72.63
Fruits and tea	62.2	25.0	-59.81
Other crops	116.7	30.0	-74.29
Forestry	26.3	10.0	-62.02
Pork	51.5	20.0	-61.17
Beef	50.0	20.0	-60.00
Mutton	50.0	20.0	-60.00
Poultry	50.0	20.0	-60.00
Egg	64.9	23.0	-64.56
Milk	45.8	21.0	-54.15
Other livestock	54.5	20.0	-63.30
Other agriculture	32.1	12.8	-60.00
Fishing	36.1	15.0	-58.45
Energy mining	7.7	5.0	-35.47
Ore ming	2.0	1.0	-50.42
Other mining	29.6	3.0	-89.86
Grain mills	37.0	25.0	-32.43
Meat and dairy process	56.0	21.0	-62.49
Fishing (processed)	41.5	18.0	-56.63
Sugar refining	49.3	20.0	-59.43
Other food	60.3	28.0	-53.59
Beverage and wine	57.0	45.0	-21.07
Forage manufactures	22.0	6.0	-72.73
Textiles	57.6	20.0	-65.28
Clothing	82.1	25.0	-69.55
Wood and cultural products	39.8	10.0	-74.86
Electricity and water	3.0	1.0	-66.67
Energy refinery	26.4	7.0	-73.48
Chemical fertilisers and pesticides	6.3	4.0	-36.24
Other chemicals	29.7	5.5	-81.48
Rubber and non-metal Products	41.1	20.0	-51.33
Metal manufactures	16.7	7.0	-58.02

Commodity	Baseline rate	WTO rate	Tariff change (%)
Machinery	23.5	11.0	-53.15
Motor vehicles	81.6	40.0	-50.98
Other transport equipment	13.2	5.0	-62.26
Electrical equipment	34.5	15.0	-56.56
Electronical equipment	38.7	15.0	-61.19
Other manufactures	31.2	15.0	-51.85
Construction	-	-	n.a.
Transportation	-	-	n.a.
Trade and storage	-	-	n.a.
Real estate	-	-	n.a.
Service	-	-	n.a.