

# *The Strategy Adopted by China in the Presence of United States Technical Barriers to Trade*

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**Abstract.** With the growing openness of China towards the rest of the globe as well as the strengthening of its strong economy, commerce among both the United States and China is growing ever closer and import and export tension is increasing. In designed to safeguard the proportion of its own household products in the global market, the U.S. has incorporated different precautionary equipment and frequently set up a wide variety of technical barriers to trade for our goods, that either hinder the movement of our goods and cause substantial economic losses to our external trade corporate. How to circumvent and eliminate the U.S. technical barriers to trade in the process of foreign trade is a problem that China must face at this stage. This paper examines the effects of U.S. technical barriers on China's trade and summarizes China's strategy to cope with the U.S. technological barriers to international trade. Therefore, China should intensify the study of technological obstacles to commerce in the U. S., find effective ways to cross its technical barriers learn from its experience and advanced methods of building technical barriers to trade, establish a technical barrier to trade system with Chinese characteristics, constantly break through other countries' technical barriers to trade, and create a good environment for China's foreign trade.

**Keywords:** U.S. technical barriers to trade, technological innovation, US-China trade conflicts

## 1. Introduction

With the conventional tariff barriers have been significantly reduced, more and more non-tariff barriers to trade will have a considerable impact[1]. The impact of technical barriers to trade is the most extensive. The main WTO members notified a total of 238 technical trade measures to the WTO, an increase of 45.1% year-on-year. Among them, 143 technical barriers to trade were notified. The United States, the European Union, Canada, Japan, South Korea, Brazil, and other countries with close trade relations with China notified a total of 109 technical trade measures, accounting for 45.8% of total technical trade measures notified by WTO members in November[2]. The article concludes by summarizing the concept of technical barriers to trade, further analyzing the impact of U.S. technical barriers to trade on China's economy, and finally proposing specific strategies for China to deal with U.S. technical barriers to trade from three aspects: keeping abreast of the latest developments, encouraging the technological innovation, and strengthening international cooperation, in order to promote the sustainable and healthy development of China's foreign trade.

## **2. The Concept of Technical Barriers to Trade**

Technical barriers to trade are mandatory and non-mandatory technical regulations, technical standards, and qualification procedures developed by international trading countries or regions to prevent the import of foreign products into their own countries, a distinctive feature of technical barriers to trade is to create an unreasonable obstacle to the flow of foreign products, Technical standards, and conformity assessment procedures to improve the quality and technical level of domestic products and services and promote the healthy operation of the international market. However, if a trading country excessively raises technical regulations, technical standards in the technical standards, resulting in most other countries cannot reach, is no longer to promote the orderly development of international markets, but to break the national market order, constituting technical barriers to trade, technical barriers to trade involved in a wide range, from product production, packaging, processing to transportation and consumption, each technical link may be Technical barriers to Trade are very broad in scope, from production, packaging, processing to transportation and consumption, each technical link may be used to set up trade barriers, often without a fixed form, flexible, complex and diverse. With the changing form of the international market, the use of tariff barriers gradually reduced, trade protection countries more by virtue of their own developed technical level to set hidden and a variety of technical barriers to trade, to hinder the flow of products from other countries and regions, so as to expand the market competitiveness of their products, access to a larger international market. Because technical barriers to trade are often cloaked in legal laws and regulations, they are relatively hidden, can hardly be identified, and are more difficult to deal with than tariff barriers[3].

## **3. The Impact of the United States Technical Barriers to Trade with China**

### **3.1. The Decrease in China's Trade Product Export Competitiveness**

The Limit of the development of China's export trade product export competitiveness is reduced. On the one hand, the number of U.S. technical barriers to trade notification increased, and the standard gradually upgraded, part of the exports in order to meet the U.S. technical standards and certification procedures required to install additional related equipment or increase production technology research and development to improve the technical content of products, increasing the production costs of enterprises. On the other hand, in order to cope with U.S. technical barriers to trade, enterprises need to bear the new costs of raw material procurement, production, logistics, and customs clearance, resulting in increased production costs and reduced export competitiveness. In addition, the current U.S. technical barriers to trade are becoming more and more extensive, and the requirements for each link in the industrial chain are becoming more stringent, making it more difficult for enterprises to control costs. The Annual Report on China's Technical Trade Measures (2020) shows that the new costs of Chinese enterprises exporting to the United States in 2019 amounted to 8.18-billion-yuan, accounting for 50.76% of the new costs of Chinese enterprises in the year, and the United States has become the market that leads to the highest new costs for Chinese exporters[1].

### **3.2. The Increase in Market Accessibility for Chinese Products**

The number is increasing, and the requirements are getting higher, raising the market access conditions for Chinese products. U.S. Technical standards and technical regulations are not only increasing in number, but also increasing in requirements and complexity, and many standards are even higher than international standards, improving the market access conditions for China's products, forcing many of China's products out of the U.S. market, especially in agricultural products, the United States to protect its agricultural development. And strict control of the import of

agricultural products, taking the high standard of food and health quarantine means. United States every year to impurities, pesticide residues, food additives, coloring problems, unclear labeling, and other reasons to withhold a large number of China's exports of agricultural products. This not only causes loss of agricultural products and transportation costs to our enterprises but more seriously makes American consumers lose trust in our agricultural products, thus affecting the normal trade of agricultural products between China and the United States in the future. The future normal trade between China and the United States agricultural products.

#### **4. China's Strategy to Deal with U.S. Technical Barriers to International Trade**

##### **4.1. Improve Technical Standards and Reverse the Unfavorable Situation**

China's existing technical standards vary in level, and some products and services are not even currently developed related technical standards, which, to a certain extent, directly affects the quality level of our products and services to improve the international competitiveness of our products[4]. Understand the latest progress in a timely manner and improve technical standards Chinese export products are mainly labor-intensive and resource-intensive products, the scale of export enterprises is generally small, and the latest progress and requirements of the U.S. technical barriers to trade are not comprehensive enough to achieve timely standardized production, thus affecting product exports. This requires industry associations to give full play to the role of information sharing. Industry associations have a unique role of organization, association, and information sharing, and can help enterprises give full play to their advantages and scale advantages more efficiently according to the needs of industry development and market laws[5]. China should take the initiative to improve technical standards and reverse the current unfavorable situation. The export of products that meet international standards can effectively reduce the probability of products encountering technical barriers to trade. Therefore, China should actively reform domestic standards according to international standards to better align with international standards. In addition, attention should be paid to the promotion of new standards in the country, and the implementation of new standards for products and services in order to truly promote enterprises to improve the quality of product production. China should focus on the current and future trade development situation, should not be limited to the temporary policy gap, and step up the improvement of the current and future technical standards in key trade areas. If the United States will continue to take other measures to exert pressure on our country because it cannot achieve the purpose of protecting the market, our country will not let the development of U.S. hegemony, and the friction between the two countries in the field of international trade will continue to heat up[6].

##### **4.2. Encourage Technological Innovation and Improve the Quality of Export Products**

The technical barriers to trade are becoming more and more diversified and mature, both in terms of the severity of technical standards and the form of technical barriers to trade have developed greatly, and Chinese exports, especially low-technology primary products, are likely to be hit by more serious technical barriers to trade. The knowledge spillover effect generated by technological innovation can transfer production factors such as labor, capital, and technology from a low-efficiency or low-value-added industries to high-efficiency and high-value-added industries, thus improving the quality of export products. Enterprises should further strengthen the close integration of technology and production, deepen the cooperation between enterprises and research institutions, avoid the disconnection between R&D and production, and ensure that innovation and economic needs are compatible. At the same time, the government should improve its tolerance of innovation achievements by actively providing conditions for the landing and transformation of scientific and technological achievements and by encouraging enterprises to dare to try new technologies and

improve their production models. China is currently in the assertive stage of achieving industrialization, and industry remains the core industry driving China's economic development. Among exporters, modern high-end manufacturing industries such as artificial intelligence, new energy, and modern medicine have strong competitive advantages. Therefore, the government can realize the effective combination of market and government by formulating precise and efficient industrial policies, increasing the enthusiasm of enterprises in R&D, modernizing the industry by relying on technological progress, and improving the competitiveness of China's export products. From a long-term perspective, improve China's technical regulations, standards, and conformity assessment procedures to fundamentally circumvent U.S. technical barriers to trade measures[7].

### **4.3. Strengthen International Cooperation**

The modern international economic order has shown the development trend of liberalization. As an active participant in the current international order, the rising China can not only cope with the technical barriers to trade with the United States by an international force, but also promote the liberalization of the international economic order with Chinese wisdom, and fundamentally resolve the trade friction between China and the United States. Most international standards are currently set by developed countries, led by the United States, which means that most international standards tend to protect the interests of developed countries[8]. As the world's largest developing country, China has the responsibility and power to participate in international standard-setting activities. As the world's largest developing country, China has the responsibility and power to participate in international standard-setting activities and make efforts to improve the current unfavorable situation. China should keep abreast of the dynamic changes in international standards, grasp the international situation accurately, strive to reasonably reflect China's interests in international standards, upgrade Chinese standards to international standards, and better protect the interests of developing countries, including China.

## **5. Conclusion**

Technological trade practices are a double-edged sword. As an advanced technological and financial power, if technology import restrictions are reasonably used by the United States, will help to provide the highest quality technology and the technology of many other world economies to maintain international commercial order. Fundamentally speaking, if unauthorized technology trade measures are used, it is the implementation of restrictive trade norms. This article examines the impact of US technology barriers on China through data on technology trade measures reported by the World Trade Organization and summarizes China's strategy to respond to US international trade technology barriers. As one of the countries affected by US technological trade barriers, China should actively face and counterattack, compromise will only promote trade protection. In order to better respond to and offset the technical barriers to trade with the United States, China should analyze a large number of relevant cases, have a deeper understanding of the legal system of technical barriers to trade with the United States, find out how the United States implements technical barriers to trade, and take early warning measures in a timely manner. At the same time, only when we are strong can we better resist the invasion of foreign barriers. China should continue to improve the legal system of technical barriers to trade, learn from the institutional experience of Western developed countries, including the United States, abolish relatively backward laws and regulations, and formulate high standard technical regulations and technical standards in line with international standards and WTO rules to more strictly control the quality and technical level of export products. The technical level of exported products. It will be a long time to deal with the technical barriers to trade in the United States, and the WTO dispute settlement mechanism is an important way to solve trade disputes and require the

United States to make up for losses. It will be a long war to deal with the US technical barriers to trade. China should sum up the past experience and lessons, learn from the advanced experience of other countries, improve the ability and efficiency to deal with the US technical barriers to trade, and actively safeguard China's legitimate rights and interests in the process of international trade with the United States.

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