

# Green Barriers to Chinese Agricultural Trade

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## Abstract

In recent years, with the increasing process of global economic integration, China's agricultural exports have frequently suffered from green barriers. This paper mainly analyzes the adverse effects and causes of green barriers on China's agricultural exports. Additionally, it puts forward some countermeasures.

## Keywords

green barriers; international trade; agricultural products; export.

## 1. Introduction

Green barriers have not formed a universally accepted concept in the world. Some experts and scholars call green trade barrier environmental barrier and green protectionism. With the emergence of green barriers, countries all over the world, for their own economic interests, have developed more stringent export systems and product standards to limit exports.

Restricted by green trade barriers, Chinese agricultural products lack competitiveness in the international trade market. "Green trade barrier is a non-tariff trade protection system under the current situation. It is the combination of environmental protection movement and new trade protectionism." [1] In the international trade activities, green barriers are the measures that the importing countries of agricultural products formulate to restrict the import in the name of environmental protection and energy conservation. There is no denying the fact that green barrier is a kind of technical trade barrier which affects the import and export trade. Therefore, it's necessary for China to pay attention to green barriers and take active and effective measures to maximize the advantages of our agricultural products, making Chinese agricultural products be in a favorable position in the international market.

## 2. The Reasons Why China Suffers from Green Barriers

### 2.1. Low Technology Content of Agricultural Products

It's low technology content of agricultural products that makes China's agricultural products lack competitiveness and increases the probability that China suffers from green barriers when exporting agricultural products. Lack of innovation and distinctive characteristics are the biggest deficiencies of China's agricultural exports. At the same time, because of the low level of Chinese agricultural technology, the planting and production reprocessing of agricultural products cannot be combined effectively. Moreover, the agricultural products in China has been exported with the strategy of low price to enhance the competitiveness in the international market for a long time. In order to increase economic benefits, low technological investment in the processing of agricultural products leads to the low technology content of agricultural products. As a result, it is difficult to ensure the quality and safety of products.

### 2.2. Chinese Comparative Advantage in Price

As a large agricultural country, China has a huge development potential and natural advantages in the export trade of agricultural products. Rich natural resources have reduced the cost of

developing countries' exports. With the comparative advantage of price, there will be a trade surplus between the developing countries and the developed countries. In order to protect the domestic market, developed countries will set up barriers for China's agricultural exports. It makes the products of developing countries more difficult to enter into the developed markets.

### **2.3. Production Standards and Industrial Standards of Agricultural Products**

Compared with developed countries, Chinese production standards and industry standards are not stringent enough. On one hand, China lacks reasonable inspiring mechanism and necessary supervision mechanism in the field of agricultural trade. The limited supervision causes the problems of growth and quality of agricultural output.

On the other hand, environmental issues and security issues have attracted people's attention from all over the world. In order to protect the health of domestic people and the domestic ecological environment, relevant countries have also issued a series of regulations, the most representative of which is Thailand, a major agricultural trade country. Since 2013, the number of notifications on technical trade measures alone has reached 297. In the category of food technology, draft specifications for dairy products, alcoholic beverages, fresh fruits, fish and other diversified products have been added. There are higher requirements for coverage from receiving to transportation, even for farm construction, enterprise facilities and personnel training. From the regional point of view, Western Asia is the region with the highest technical trade standards. Due to the consideration of customs and religions in its national region, the country often has high requirements for relevant imported agricultural products. [2] In China, tea has always been an export product with great advantages. However, tea was once blocked by green trade barriers because it did not meet the growing international quality standards when it was exported. And for the consideration of trade protectionism, although many countries are very interested in the technology and trade exchange opportunities brought by China, they also tend to restrict the circulation of related products in China.

## **3. Negative Effects of Green Barriers**

### **3.1. The Increase of Product Cost**

China has a large population and a wide range of labor and natural resources, so its export products are mainly labor-intensive and resource-intensive. The products may lack of technical content and occupy the overseas market by virtue of price advantage. However, "the emergence of green barriers has greatly increased the production cost, processing cost, circulation cost, quarantine cost and other costs of China's export products" [3], making the cost of China's products significantly increase. For example, China is still a developing country with relative backwardness in science and technology, if we want to meet the production standards of developed countries, we need our enterprises to purchase advanced production machines and testing instruments from abroad. That undoubtedly increases the current export cost of agricultural products. Therefore, green barriers greatly reduce the overseas competitive advantage of China's agricultural exports and bring losses to export enterprises.

### **3.2. Reduce the Export Growth Rate of Products**

The development of "green food" and the green agricultural technology started late in China, the technical level and standards are relatively low. In recent years, the export of agricultural products has been detained or rejected from time to time due to drug residues, pollution and unqualified heavy metals, which reduce the export growth rate.

### **3.3. Trade Friction**

In recent years, developed countries have set up strict green barriers for developing countries by virtue of their own technological advantages. That has restricted the export of agricultural

products. Bilateral or multilateral trade frictions are inevitable, resulting in international trade disputes. Under the influence of economic globalization and free trade, trade frictions between China and some developed countries in the export process of agricultural products have become frequent.

## **4. Measures to Deal with Green Barriers**

### **4.1. Strengthen Green Awareness**

In the process of exporting agricultural products, we should strengthen the green consciousness and provide safe and reliable agricultural products. First of all, the government should strengthen the propaganda to strengthen the green consciousness of farmers. In the process of human development, consciousness plays a guiding role. Only when people's awareness of green quality is enhanced can we fundamentally improve the quality of agricultural products and better respond to green barrier policies. Secondly, relevant personnel must correctly understand green barriers, which are different from environmental protection. In recent years, the ecological environment has been damaged in different degrees all over the world, and governments all over the world are committed to environmental protection and human health construction. Green barriers came into being along with the trend. It puts forward new standard requirements for countries with low environmental standards. It encourages these countries to actively protect the environment as well as improve product quality. Therefore, both producers and supervisors should strengthen the awareness of green quality.

### **4.2. Improve China's Environmental Legal System**

Environmental protection law is of great significance for China to deal with green trade barriers. As an export country of agricultural products, China needs to improve its legal system and the environmental supervision system. China ought to clarify the environmental responsibility of producers in legislation, making producers establish environmental awareness and practice the concept of environmental protection in the production of agricultural products. In addition, the law should also stipulate the rights and obligations of the supervisors, clarify the subject and object of supervision, and give the supervisors the right to take measures.

At present, the laws on green trade are not systematic enough. And the environmental legislation and trade legislation cannot be effectively combined to meet the requirements of WTO. Based on this, we should coordinate environmental laws and regulations with trade laws and regulations, consider more sustainable development factors, and establish a perfect environmental trade management legal system. In addition, we need to improve the laws and regulations related to green packaging and green products. Green packaging refers to the products whose production, use, consumption and treatment meet the requirements of environmental protection. Green packaging has no damage to the ecological environment, human beings, animals and plants. It can reduce the use of resources and the production of waste. It can also be recycled without secondary pollution to the environment. Based on the environmental standards and requirements of importing countries, China should strive to improve the quality of export products and packaging, formulating relevant encouraging laws and regulations.

### **4.3. Establishing Early Warning Mechanism of Green Barrier**

The green barriers in developed countries will change with the development of market economy. So the corresponding product quality requirements will be higher and higher. From the current numerous cases, we lack of understanding of the relevant technical regulations and import procedures of the product importing countries. Therefore, China should take the initiative to understand the development direction and trend of green barriers so as to provide an important reference in time. It is meaningful to establish professional departments to study

the green barriers set up by different countries. This can provide the latest information about the export of agricultural products to agricultural product processing enterprises in the mainland in a short time. At the same time, it can help us to produce products that meet the international product quality standards and fundamentally change the situation that our country frequently encounters green barriers.

#### 4.4. Improve Agricultural Technology

First, in order to improve the level of agricultural science and technology, the government should comprehensively promote infrastructure construction such as water conservancy and transportation. Second, China needs to continue to promote the construction of standardized agricultural production. We will establish comprehensive and systematic standards for agricultural development, control the quality of agricultural products strictly, and ensure that the quality of agricultural products meets the standards. China can learn from the advanced agricultural production technology of developed countries to change the industrial structure and achieve the goal of organic agricultural production from the reality of China's agricultural development. China needs to produce agricultural products in strict accordance with the international uniform standards. So, it is meaningful to control some chemical drugs existing in agricultural products effectively and strive to meet the international food safety and quality testing standards from seed selection, cultivation, fertilization, product processing, packaging and storage. Third, enterprises should improve the technical investment. In order to better deal with the green barriers and improve the quantity of agricultural exports, one effective way is to improve technology content and added value of agricultural exports. Last but not least, "domestic export processing enterprises should actively strive for ISO14000 certification" [4], which is the most authoritative and influential environmental protection standard in the world. Only in these way can we really enhance the competitiveness of our agricultural products in the international market.

### 5. Conclusion

Agriculture is the fundamental industry in China. Green barriers have become important factor restricting the export of agricultural products in international trade. Green barriers are also called environmental barriers. In modern international trade, if the buyer wants to protect its limited resources, plants, people, animals and ecological environment, it will set up green barriers for the seller's export. Green barriers establish strict environmental technical standards, product packaging requirements, cumbersome inspection, certification and approval taxes through various environmental protection laws.

Green barrier is the product of the developing economy and technology. Many countries have raised production standards and industrial standards of agricultural products. China's suffering from green barriers is also related to the insufficient technical content of agricultural products, substandard production standards and low relative prices. And the importing countries may boycott our agricultural products to protect the same type of domestic products.

When it comes to how to solve this problem, agricultural products quality become the crucial factor. What's more, China should give full play to the guiding role of consciousness in practice by improving the national green consciousness and perfecting the relevant laws of China. Besides, China should establish the early warning mechanism of green barriers to solve the problem of lack of information. Avoiding the restriction of green trade barrier, Chinese agriculture will have a greater influence in the world.

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