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Research on China's Strategies for Addressing Non-Tariff Barriers and Anti-dumping under the New Trade Protectionism Background

Abstract

Dongye Jiang[1*]

[1] Sangmyung University, South Korea

[*] Corresponding author. e-mail: jiangdongye0915@gmail.com

Abstract

The rise of neo-trade protectionism has reshaped the global trade order, shifting emphasis from traditional tariffs to non-tariff barriers (NTBs) and trade remedies justified on regulatory grounds. This study investigates China's increasing reliance on NTBs—such as technical barriers to trade (TBT), sanitary and phytosanitary (SPS) measures, and chemical regulatory frameworks—and its frequent use of anti-dumping actions to pursue industrial protection and structural adjustment. Based on WTO notifications, MOFCOM case announcements, and trade statistics, the paper analyzes three key cases: the 2015 Bisphenol-A (BPA) anti-dumping dispute, regulatory frictions between Korea's K-REACH and China's chemical control system, and China's anti-dumping duties on Korean stainless steel plate.

Findings reveal that China's measures serve dual purposes: short-term protection of domestic industries facing overcapacity and long-term promotion of supply chain localization and technological upgrading. For Korea, these actions led to marked export declines—BPA market share fell from 21% in 2014 to under 10% in 2017, and stainless steel exports dropped over 60% between 2015 and 2018. Policy implications suggest Korea must strengthen institutional negotiation, advance firm-level patent and standards strategies, and build multilateral alliances to offset China's regulatory power. This study contributes to the literature by situating China's NTBs and anti-dumping practices within the broader neo-protectionist paradigm and offering strategic insights for Korea's policy response.

Keywords: Neo-trade protectionism; Non-tariff barriers; Anti-dumping; Trade policy; China; Korea

Evidence for Practice

- **Policy Engagement and Legal Response** Korea and similarly affected economies should institutionalize trade remedy capacities, utilize WTO dispute settlement mechanisms and FTA-based remedies, and build proactive engagement channels within regional frameworks such as RCEP and CPTPP to counterbalance regulatory asymmetries.
- **Corporate Innovation and Standards Leadership** Firms must move beyond price-based competition by investing in innovation, strengthening patent portfolios, participating in international standard-setting bodies, and enhancing regulatory compliance capacity to mitigate the effects of non-tariff barriers.
- **Multilateral and Regional Alliances** Strategic coordination with like-minded partners such as the European Union and the United States is essential to constrain unilateral regulatory practices and promote rule-based transparency in trade governance.
- **Foresight on Emerging Barriers** Policymakers and firms should anticipate new non-tariff barriers in areas such as digital trade, cybersecurity, and carbon border adjustments, and prepare adaptive strategies through regulatory foresight and supply chain resilience planning.

Since the late 20th century, with the global rise of neo-trade protectionism, anti-dumping has emerged as a key form of non-tariff barrier and has gradually become one of the most effective instruments for countries to protect domestic industries and safeguard market order. In particular, following the global financial crisis of 2008, many countries intensified their use of anti-dumping measures to curb the competitiveness of imported goods, further complicating the international trade environment. Against this backdrop, Chinese exports have frequently become targets of foreign anti-dumping investigations, while numerous foreign products have entered the Chinese market through dumping practices, causing significant harm to domestic industries. In response, China faces the urgent challenge of balancing the demands of globalization with the imperatives of trade protectionism, while continuously strengthening its anti-dumping legal framework to ensure fair competition in the domestic market.

Since the promulgation of the *Regulations of the People's Republic of China on Anti-Dumping and Countervailing Measures* in 1997, China has made notable strides in developing its anti-dumping legal regime. Currently, the framework is centered on the *Regulations of the People's Republic of China on Anti-Dumping* issued by the State Council in 2001, supplemented by implementing rules formulated by various administrative authorities. This system has drawn extensively from the WTO Anti-Dumping Agreement and the legislative experiences of developed economies, thereby incorporating the core principles of international anti-dumping law. It has played a positive role in safeguarding the sound development of China's domestic industries. However, amid the intensification of neo-protectionist trends, the limitations of China's current anti-dumping system have become increasingly evident. These include the relatively low legislative hierarchy of key provisions, the ambiguity in criteria for determining dumping and material injury, and

the lack of a systematic judicial review mechanism. Such deficiencies constrain China's ability to effectively respond to the growing complexity of the international trade landscape.

Although the structure of international trade today continues to move toward greater liberalization and transparency, many countries—under the influence of neo-trade protectionism—have simultaneously reduced tariff barriers while reinforcing restrictions on foreign goods through non-tariff measures, particularly anti-dumping. Since joining the WTO, China has made consistent efforts to lower both tariff and non-tariff barriers. Yet its domestic industries remain vulnerable to the adverse impacts of unfair trade practices. In this context, conducting a thorough examination of international anti-dumping legislation and judicial practice, and further refining China's legal and strategic responses, is essential for preserving national economic security and maintaining a stable market order.

Building on this rationale, the present paper takes the WTO Anti-Dumping Agreement as its analytical foundation and, within the context of rising neo-trade protectionism, critically examines the deficiencies in China's anti-dumping legal system from three dimensions: legislative framework, substantive law, and procedural law. It then proposes targeted recommendations to improve China's anti-dumping legislation and enforcement strategies, with the aim of offering stronger legal support to help China navigate the increasingly complex and contested global trade environment.

Literature Review

The emergence of neo-trade protectionism has been a central topic of debate in international political economy. Strategic trade theory (Brander and Spencer 1985) posits that governments deploy trade remedies not solely to correct market distortions, but also to strategically shift economic rents toward domestic firms, particularly in oligopolistic industries. New trade theory (Krugman 1979; Helpman and Krugman 1985) explains the expansion of intra-industry trade and the increasing substitution of traditional tariffs with non-tariff barriers (NTBs), including technical standards and certification requirements.

From an institutionalist perspective, Keohane (1984) underscores the importance of international regimes in promoting transparency and cooperation. However, the WTO's limited capacity to regulate NTBs has enabled countries like China to implement unilateral regulatory strategies with minimal multilateral constraint. Baldwin's (1988) theory of industrial adjustment further contributes to this discourse, suggesting that governments use NTBs and anti-dumping measures to ease the adjustment burden on industries experiencing overcapacity or structural decline—a framework especially pertinent to China's steel and chemical sectors.

Revised Methodology

This study employs a mixed-methods research design that integrates quantitative and qualitative analyses. The quantitative component draws on WTO TBT and SPS notifications (2001–2022) and UN Comtrade trade statistics to assess China's systemic reliance on non-tariff barriers (NTBs). The qualitative component consists of three in-depth case studies that contextualize the application and effects of these measures: (1) the 2015 Bisphenol-A (BPA) anti-dumping dispute, (2) regulatory overlap between Korea's K-REACH and China's chemical control regime, and (3) the 2016 anti-dumping duties imposed on Korean stainless steel plate. This combined approach allows for the triangulation of empirical evidence and theoretical interpretation, providing a robust and multidimensional account of China's evolving neo-protectionist trade strategy.

Revised Results and Analysis

China's notifications of non-tariff barriers (NTBs) to the WTO have increased nearly fourfold since 2001, surpassing 3,000 by 2020. This trend reflects a process of institutional isomorphism (DiMaggio and Powell 1991), whereby China emulates European Union-style regulatory frameworks while simultaneously adapting them to serve domestic policy objectives. The 2016 *Food Safety Law* and the expansion of national chemical standards (GB standards) exemplify this regulatory strategy.

In 2015, China's Ministry of Commerce (MOFCOM) imposed anti-dumping duties ranging from 8.8 percent to 37.5 percent on Korean producers of bisphenol-A (BPA), as detailed in Announcement No. 14. The methodology employed diverged from Article 2.2 of the WTO Anti-Dumping Agreement (ADA), notably through its reliance on constructed normal values rather than actual export prices. Following the imposition of these duties, Korea's share of China's BPA market declined from 21 percent in 2014 to below 10 percent in 2017 (KITA 2018). This case exemplifies Baldwin's (1988) industrial adjustment theory: the anti-dumping measures not only mitigated domestic overcapacity pressures but also induced Korean firms to localize production through joint ventures with Chinese partners.

Parallel regulatory developments have emerged in chemical regulation. Korea's K-REACH (2015) and China's updated chemical laws (2019) impose overlapping registration burdens on chemical imports. For Korean small and medium-sized enterprises (SMEs), compliance costs range between USD 30,000 and 50,000 per chemical substance (MOTIE 2020). Meanwhile, domestic preference clauses embedded in China's regulations expedite approval processes for local firms. While these developments reflect institutional isomorphism in formal design, their national adaptation serves to redirect supply chains toward China-based operations and raises the risk of involuntary technology transfer.

In 2016, MOFCOM imposed anti-dumping duties ranging from 18.1 percent to 25.5 percent on Korean stainless steel plate, as outlined in Announcement No. 43. Korea's exports of the product to China declined by more than 60 percent between 2015 and 2018 (UN Comtrade 2019). The injury determination process in this case lacked transparency as stipulated under Article 3 of the WTO ADA and appeared instead to align with China's state-owned enterprise (SOE)-

centered development model. The policy effectively shielded domestic producers such as Baosteel while simultaneously incentivizing foreign firms to localize production within China.

Revised Discussion

The intensification of neo-trade protectionism in recent years has witnessed a shift from traditional tariff barriers to the increasing use of non-tariff barriers (NTBs), including anti-dumping measures, environmental standards, and technical regulations. These instruments have become the primary tools through which countries safeguard domestic industries. Zhang Erzhen and Dai Xiang (2017) identify the proliferation of NTBs as a defining feature of contemporary global protectionist trends. Bao Jianyun (2020) introduces the concept of "super-protectionism" in the post-COVID-19 era, highlighting how the pandemic has accelerated restrictions on foreign capital and imported goods. Similarly, Dai Zhongqiang and Liang Junwei (2020) argue that the United States' enhanced intellectual property enforcement represents a new frontier in NTB deployment.

In response to the increasingly complex international economic landscape, China has gradually developed a multi-layered trade law system. Shang Ming (2003) observes that following China's accession to the WTO, the country constructed a diversified legal framework encompassing anti-dumping, countervailing, and safeguard measures through procedural reforms and legislative refinement. Yin Desheng and Jin Peizhen (2018) emphasize that while China's trade law system draws heavily from WTO norms, it also reflects domestic industrial structures and policy imperatives, resulting in a legal framework with distinct Chinese characteristics. However, as Li Zheng (2018) notes, the lower legal status of anti-dumping regulations—often issued by administrative bodies rather than the National People's Congress—weakens their authority and enforceability.

Scholars have also noted the localization of China's anti-dumping practices. Shao Guilan and Hu Jiachang (2003) point out that these practices have evolved to align with domestic industrial strategies. Zhao Di (2020) contends that further improvements are needed in transparency and international compatibility, particularly in dealing with the increasingly complex anti-dumping regimes of major trading partners such as the United States. Kim Sunhwa (2001) similarly argues that China's anti-dumping implementation is shaped by its domestic economic logic, aligning trade enforcement with national development priorities.

The WTO Anti-Dumping Agreement (ADA) establishes the foundational procedural and substantive standards for dumping investigations and injury determinations. Xie Haixia (2004) underscores that procedural fairness and transparency are the core principles of WTO-compliant anti-dumping mechanisms. Some scholars, including Niels and Kate (2003) and Wu Ximei (2003), advocate for replacing anti-dumping laws with competition law to achieve more equitable trade governance. Others, such as Li Hyun-sook (2002), highlight the institutional discretion retained by states under the WTO framework, even as transparency is nominally emphasized. Kim Man-gil (2001) notes that China

initially borrowed extensively from U.S. and EU models but has since localized its regime to better serve domestic industries.

Several scholars have proposed concrete improvements to enhance China's legal resilience in the face of rising global protectionism. Chen Jintao (2003) recommends improving the transparency and standardization of anti-dumping legislation to mitigate trade frictions. Almstedt and Norton (2000) similarly argue that China must reinforce transparency within the WTO framework to enhance legitimacy and compliance.

With respect to policy responses, the Industry Injury Investigation Bureau of the State Economic and Trade Commission (2003) acknowledges progress in China's handling of foreign anti-dumping actions but notes the continued need for institutional support to assist enterprises in navigating international legal challenges. Zhao Lima and Liu Jie (2020) call for strengthening industrial supply chain resilience as a buffer against external trade pressures. Cui Hyun-tak (1999) emphasizes the importance of legal and policy capacity-building to enhance firms' defensive capabilities. Wang Jun and Liang Rong (2020) further propose that China diversify its market dependencies and optimize supply chain configurations as part of a long-term response strategy.

Revised Conclusion

This study demonstrates that China's deployment of non-tariff barriers (NTBs) and anti-dumping measures exemplifies neo-trade protectionism in both intention and impact. Through the analysis of three representative cases—Bisphenol-A (BPA), regulatory overlap between Korea's K-REACH and China's chemical regime, and anti-dumping duties on Korean stainless steel—this paper shows how these instruments serve dual purposes. In the short term, they mitigate structural pressures associated with industrial overcapacity, offering temporary relief to domestic producers. In the long term, they facilitate supply chain localization, encourage technology transfer, and reposition China within global value chains. These dynamics reflect Baldwin's industrial adjustment theory, Brander and Spencer's strategic trade framework, and Gereffi's global value chain perspective, thereby linking China's trade practices to broader theoretical debates in international political economy.

For Korea, the findings underscore that price competitiveness alone is no longer sufficient to maintain a stable market presence in China. The policy implications are threefold. First, Korea must strengthen its institutional responses by more proactively engaging WTO dispute settlement mechanisms, utilizing Korea–China FTA provisions, and deepening participation in regional trade agreements such as RCEP and CPTPP. Second, at the enterprise level, Korean firms must prioritize innovation, patent strategies, and leadership in setting international standards to better navigate NTBs and sustain long-term competitiveness. Third, Korea should seek alignment with like-minded partners—such as the European Union and the United States—to collectively constrain unilateral regulatory practices by China and foster a more transparent and predictable global trading environment.

At a systemic level, this study contributes to the evolving discourse on trade governance in the 21st century. As liberal institutionalists such as Keohane (1984) argued, institutions play a crucial role in stabilizing global trade. However, the WTO's limited capacity to discipline NTBs highlights the fragmentation of the existing trade regime. Neo-trade protectionism represents a new frontier in global commerce, where regulatory competition, rather than traditional tariff disputes, increasingly defines the contours of international economic relations. Understanding this shift is essential for policymakers, firms, and scholars alike.

That said, this study has certain limitations. While it offers qualitative depth through three emblematic cases and integrates relevant theoretical frameworks, future research should employ quantitative methodologies—such as econometric modeling—to test the broader trade effects of NTBs and anti-dumping measures. Comparative studies examining the experiences of other economies under similar regulatory pressures from China, including the EU and ASEAN members, would further enrich the analysis. Moreover, emerging NTBs in areas such as digital trade, cybersecurity, and carbon border adjustments merit closer examination, as they are likely to shape the next phase of regulatory protectionism.

In conclusion, China's use of NTBs and anti-dumping measures should not be viewed merely as defensive trade instruments, but rather as components of a broader strategy of economic statecraft. Korea, as one of China's closest and most interdependent trade partners, occupies a frontline position in this transformation. How Korea responds—through institutional negotiation, corporate innovation, and strategic multilateral engagement—will critically shape its ability to navigate the evolving landscape of neo-trade protectionism and safeguard its long-term economic resilience.

Conflict of Interest

The authors declare no conflict of interest.

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Author Biographies

Dongye Jiang holds a Ph.D. in Business Administration. His primary research interests include international commerce, marketing, corporate strategy, and international trade policy. He has published in the *Journal of IPACT (International Promotion Agency for Culture Technology)* and has long focused on China–Korea trade relations and strategies for enterprise internationalization.