Tariff Liberalization and Trade Integration of Emerging Countries

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Abstract

This paper investigates the trade impact of tariff liberalization. It focuses on emerging countries. We examine whether the tariff reductions granted by the G20 countries helped their integration in the world economy and ask what have been the respective contributions of the extensive and intensive margins of trade to these changes.

We use a newly available version of the MAcMap (Market Access Map) database, which provides a bilateral measure of market access at a highly disaggregated level (6 digit level of the harmonized system – HS – classification) between 1996 and 2008. The MAcMap database incorporates not only the applied tariff but also specific duties, tariff quotas and anti-dumping duties.

We first merge at the HS6 digit level information on protection with trade data and present some descriptive statistics (most protected products, level of protection applied by each G20 country, most affected exporting countries, time variation of protection, etc.).

We then estimate econometrically the impact of protection on bilateral exports of developing countries to OECD countries. Our estimations consider the impact on both margins of trade (extensive and intensive).

Our analysis provides useful insights for the current and future multilateral trade negotiations.

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