

# The Impact of Green Trade Barriers on China's Agricultural Export Trade and Countermeasures

## --Take the Tea Export Trade of Fujian Province as an Example

Jiayi Xue<sup>1</sup>

<sup>1</sup> School of Economics, Northwest University of Political Science and Law, Xi'an, China

Correspondence: Jiayi Xue, School of Economics, Northwest University of Political Science and Law, Xi'an, Shaanxi, China.

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### Abstract

Fujian tea has always occupied a leading position in China's tea exports, but in recent years China's tea has been subject to the constraints of green trade barriers in developed countries, and the competitiveness of tea exports has weakened. The purpose of this paper is to introduce the current situation of Fujian tea exports, analyze the positive and negative effects of green trade barriers on Fujian tea, explore the main problems of Fujian tea export trade, and propose corresponding countermeasures for specific problems.

**Keywords:** green trade barriers, Fujian Province, tea exports, impact

With the continuous complex changes in the current form of the world and the high-speed and healthy development of the economy, the role of non-tariff barriers in international trade to protect trade is growing, and some developed countries have set up green trade barriers to protect their ecological resources and environment and improve food safety in order to restrict imports and protect domestic trade. China is one of the major countries of tea production and import, tea exports have been an important part of China's export trade, but with the increasingly stringent green trade barriers set by developed countries, China's tea exports and the export value of the slow growth rate.

Fujian is an important area of China's tea exports, Fujian Tieguanyin, Da Hongpao, Jin Jun Mei, etc. are popular in the Chinese tea market, Fujian tea is mainly exported to the European Union, Japan and other regions, but as developed countries gradually pay attention to environmental protection trade, tea hygiene requirements to improve, more and more restrictions on the import of tea, pesticide residue requirements more and more stringent, resulting in the reduction of Fujian's tea exports, exports are limited.

### 1. Analysis of the Current Situation of Tea Exports in Fujian Province

#### 1.1 Fujian Province, the Main Tea Planting Distribution

China's tea planting area can be divided into South China, North China, Southwest China and South China according to the geographical location and planting structure. Fujian Province belongs to the South China tea producing area, located in the southeast of China, where there is sufficient water and mature soil conditions, mainly planting white tea, black tea, green tea, jasmine tea and oolong tea, among which oolong tea is the specialty tea of Fujian Province (Song, X.-G., 2013).

#### 1.2 Fujian Teas Export Volume and Export Structure

##### 1.2.1 Export Volume of Fujian Teas

Fujian tea aroma is high and long, very precious, Fujian tea export market is wide, oolong tea is mainly exported to Japan and some Southeast Asian countries. Black tea is mainly sold to the United Kingdom, white tea is better sold in Germany and Hong Kong and Taiwan, green tea is exported to Africa and Europe more.

The overall trend of tea export volume in Fujian Province from 2014 to 2020 shows growth, from the perspective of export volume, the tea export volume of Fujian Province in 2020 is 22.2 million tons, an increase of 0.8

million tons over 2014, an increase of 57.14%, during 2014-2017, the growth of Fujian tea export volume is more stable, the export volume increased in 2018, 2019-2020 There was a small decline due to the impact of the epidemic. From the perspective of export value, the export value of tea in Fujian Province in 2020 is 418 million U.S. dollars, an increase of 280 million U.S. dollars or 2.03% over 2014.

### 1.2.2 Fujian Tea Export Structure

Fujian tea is mainly exported to Burma, Vietnam and other neighboring Southeast Asian regions and the European Union, the United States and other regions, Fujian tea exports to the top ten regions can be basically divided into five parts, the export amount to Canada, Spain is relatively small, basically between 5.5-6.5 million U.S. dollars, exports to the United States, Singapore, Thailand's export amount is in a slightly backward position, basically around 10 million U.S. dollars The export amount to Myanmar and Japan is slightly higher, mainly in the range of 35-40 million U.S. dollars, and Hong Kong is an important export destination for Fujian tea, bearing 38.40% of the export amount of the top ten export regions, which is about twice the proportion of the export amount to Malaysia (19.17%).

During the period of 2014-2020, the proportion of tea exports in Fujian Province is in a general rising trend, and the proportion of production exports increased dramatically in 2016 and 2018, accounting for 5.39% and 7.15% respectively, and the proportion of exports decreased in other times, and by 2020, the export direction became narrower, and the production and sales of tea are basically relying on domestic sales to promote, observing the export volume and export value of tea in Fujian Province in China export market share, it is found that the share of tea exports from Fujian Province is unstable, and in general, the market competitiveness of tea exports from Fujian Province is low.

## 2. The Impact of Green Barriers to Tea Exports From Fujian Province

### 2.1 *The Negative Impact of Green Trade Barriers on Fujian Tea Exports*

#### 2.1.1 Reducing the Market Share of Fujian Tea Exports

Due to the increasingly strict green trade barriers set by developed countries, it is difficult to export Fujian tea to these developed countries if the pesticide residues of Fujian tea cannot meet the tea import requirements stipulated by them, and with the strengthening of green barriers in the EU and Japan, the environmental protection standards have been continuously improved and the enforcement of environmental protection laws has become more and more strict, it has become more difficult to export Fujian tea, taking the EU as an example, in 2014-2018, the EU To China's tea (excluding tea beverages) export notification of pesticide residues exceeded the cumulative 135 batches, China's pesticide residues exceeded the standard to become the primary factor notified, other countries have also followed the EU's practice, making it more difficult to export Fujian tea.

#### 2.1.2 Increase the Cost of Tea Exports

In order to meet the food import requirements of each importing country, it is necessary to carry out quality inspection of tea, regulate the testing procedures and export permits for exporting tea, resulting in increased investment in capital and labor resources, increasing the production cost of tea, coupled with the strict requirements of certain countries for food export such as packaging and transportation, increasing the intermediate cost of tea export, making the export cost of Fujian tea increase significantly, reducing the economic efficiency, and its own labor advantage has been cut, reducing the international competitiveness of Fujian tea.

#### 2.1.3 Increase the Difficulty of Enterprise Operation

For small and medium-sized enterprises engaged in tea exports, their own production and operation scale is small, less capital investment, production technology and equipment update is not timely, the quality of tea may not meet the requirements of the importing countries, there are follow-up packaging testing and other procedural costs, which may cause business difficulties and face the risk of closure.

On the other hand, the sales of tea is not good, investors for Fujian tea investment confidence is reduced, due to the reduction in export volume and export amount, many foreign investors for Fujian tea have a less optimistic attitude, affecting the future development of the tea industry.

## *2.2 The Positive Impact of Green Trade Barriers on Fujian Tea Exports*

### *2.2.1 Improve the Environmental Protection Awareness of Enterprises*

Although green environmental barriers are the means of developed countries to protect their markets by restricting imports under the guise of protecting the environment, the emergence of green trade barriers can also, to a certain extent, call up the awareness of environmental protection in China, so that tea farmers and enterprises growing tea are aware of the importance of environmental protection, strict pesticide residue standards prompt the state to focus on monitoring the amount of pesticides, so that producers reduce the use of pesticides, reduce the damage to the environment and promote ecological sustainability (Xu, Y.-Y., 2021). The strict pesticide residue standard will make the state focus on monitoring the amount of pesticides, so that producers can reduce the amount of pesticides used, reduce the damage to the environment and promote the sustainable development of ecology.

### *2.2.2 Improve the Quality and Structure of Fujian Tea*

The restrictions that Fujian tea encounters in terms of export are also a motivation for Fujian tea to improve the quality of its products. In cultivating tea, pesticides repel insects and also bring hidden dangers to tea safety. The stringent pesticide residue limit standards help tea growing enterprises to adjust their product structure, improve tea quality and reduce the use of pesticides, while increasing capital investment, introducing advanced production technologies, enhancing innovation capabilities, optimizing the overall tea production structure and producing new varieties of tea that better meet the requirements of tea imports from developed countries.

## **3. Affected by the Green Trade Barriers, Fujian Province, the Problems of Tea Export Trade**

### *3.1 Low Tea Prices and Uneven Quality*

Fujian tea plantation area is large, the management difficulty is high, the quality of tea is difficult to ensure, pesticide residues, non-tea inclusions and other problems hinder the export of Fujian tea, Fujian tea has been repeatedly notified by developed countries failed, Fujian tea infrastructure, especially roads and irrigation set weak, and the geographic location of tea plantations is relatively steep, irrigation is difficult, mechanization is difficult to implement, the quality of tea varies The quality of tea leaves varies, affecting the export of tea.

### *3.2 Lack of Leading Enterprises in Tea Export, No Brand Leading*

China has a long history of tea culture, and the domestic tea market is relatively perfect, but Chinese tea has always been in a comfort zone stage, without a definite brand concept, with more traditional types and lack of innovation (Xiang, Y.-X., Li, H., & Liu, X.-F., 2021), and Fujian tea also has such a problem, and has been promoted abroad as "Chinese traditional tea", without mentioning the specific Fujian tea is still at a low stage of providing loose tea to foreign countries and acting as a supplier of basic materials to developed countries, coupled with the lack of awareness of intellectual property rights and the backward technology of processing and marketing, resulting in the lagging development of Fujian tea.

### *3.3 Insufficient Government Supervision and Incomplete Quality Control System*

According to the relevant data from the Department of Commerce of Fujian Province, there are not many enterprises engaged in tea processing and sales in Fujian Province, and fewer enterprises have gotten the "QS" access certificate, and Fujian Province has not revised and corrected the standards for tea export, resulting in the tea in Fujian not meeting the standards of importing countries. There are 106 pesticide residue limit standards in China, but compared with the EU and Japan, China's pesticide residue standards are not strict, take the EU as an example, the maximum limit of the EU for difenoconazole is only 0.05 p.p.m. / kg, while the maximum limit of China is 10 p.p.m. / kg, and the time cycle of China's specified pesticide residue limit standards is also longer than the interval of the EU and Japan, and at the same time, Fujian Province has not introduced the corresponding local standards for the export of tea normative documents, resulting in the lack of Fujian tea to cope with the strict tea standards of developed countries.

## **4. Policy Recommendations**

### *4.1 Increase the Cultivation of Organic Tea and Improve the Quality of Tea*

Although the tea planting area in Fujian Province is expanding, but the proportion of tea for export trade is gradually decreasing, in order to increase the proportion of tea exports, the key is to improve the quality of tea. The production, processing and sales of tea cannot be separated from each other, but must be grasped from the

overall situation, to establish an integrated tea industry chain, encourage the production model of "government + tea enterprises + tea farmers", encourage tea enterprises and tea farmers to actively study the latest international requirements, strictly follow the production requirements for manufacturing, use organic fertilizers and other less polluting chemical fertilizers, and strictly control the quality of tea.

In addition, the recognition of organic tea in developed countries is high, and the technological content of the production process of organic tea is also high, which is widely favored in the market, and the price of organic tea is more than half of the price of ordinary tea. Fujian Province should increase the cultivation of organic tea and technical support, focus on organic tea production and manufacturing, the creation of organic tea related brands, and enrich the green tea production mechanism.

#### *4.2 Rectify Small and Medium-Sized Enterprises, Create Brand Enterprises and Improve Visibility*

At present, there are many types of tea planting in Fujian, mainly family workshops, individual households and some small and medium-sized enterprises, and their sales and operation modes are decentralized, and their processing and sales processes are not high in technology, and their technology is scattered, which makes it difficult to guarantee the quality of Fujian tea and is far from international standards. The government should expand the scale of production, and the government should negotiate and cooperate with large tea enterprises to support the rise of integrated small and medium-sized enterprises, and the government should give corresponding support policies to large tea enterprises and integrated enterprises, introduce scientific and technological equipment and cultivate talents for high-quality tea to create more tea products like "Wuyi Da Hong Pao" and "Anxi Tieguanyin". Anxi Tieguanyin" well-known brands, supplemented by the corresponding marketing publicity, with the help of scientific, reasonable and effective marketing mechanism, reasonably show the advantages of Fujian tea, improve the visibility of Fujian tea.

#### *4.3 The Government Should Step up Supervision and Improve Relevant Laws and Regulations*

The government should give full play to the function of supervision and guidance, improve the laws and regulations on environmental protection and green ecology in the process of tea production, promote clean production, require enterprises to deal with the relationship between the announcement of technology and production costs, set up a supporting green guarantee system, encourage tea farmers to carry out clean production, strengthen green supervision and management, make various tax collection legislation inclined to green industries, and strictly punish the acts of damaging the environment in trade activities Violation of environmental laws and regulations are strictly punished.

In addition, we should also learn from the legal system of developed countries, for the amount of pesticide residues in agricultural products to set up relevant laws and regulations, improve the tea testing system, especially for the amount of pesticide residues in tea to limit the use of pesticides, the types of pesticides used, prohibit some pesticides that are more harmful to human use, the establishment of unified standards, the timely public disclosure of the legislative content and approval testing procedures, etc., which increases the legislative system Transparency, but also to circumvent the challenges of other countries. Once the trade-related environmental legislation is improved, it will motivate enterprises to actively adjust their production structure, change their production methods and strictly comply with the law, making Fujian tea more conducive to export.

#### *4.4 Establishing Early Warning and Response Mechanism for Pesticide Residues to Enhance the International Competitiveness of Fujian Tea*

Developed countries are very harsh in the policy content and implementation methods of environmental control, especially for developing countries' import trade, which directly weaken the competitiveness of our products in foreign trade. Every year, Fujian tea is notified and criticized by the European Union, Japan and other countries due to the excessive content of pesticide residues, resulting in the return or backlog of exported tea and huge economic losses.

With the continuous development and update of science and technology, various new products are constantly developed, and the policies of countries on environmental protection are constantly revised and updated, enterprises also need to produce and develop a new generation of products that meet the requirements according to the continuous changes in environmental quality standards, and the government should also establish and improve the early warning and response mechanism of green trade barriers, and establish a special information system to keep track of the latest environmental protection policies introduced by countries The government should also establish and improve the green trade barrier early warning and response mechanism, establish a

special information system, keep track of the latest environmental policies introduced by various countries, understand the latest changes in real time, master the information of various countries, and do a good job in preventing tea exports from being restricted.

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