

Bilateral Trade Between China and Southern Countries Using Gravity Approach: Role of One Belt, One Road

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In the new context of the One Belt, One Road, China and the countries along with the new initiative have had more in-depth cooperation in bilateral trade and expanding trade scale is the focus of China's economic development at this stage. As the second-largest GDP and the largest developing country in the world, China's foreign trade situation has also undergone tremendous changes. At the same time, to play the role of a responsible big country, it plans to do trade cooperation's actively. My paper mainly analyzes the current status of trade between China and the countries along the bilateral trade volume and industrial structure, and then conducts an empirical analysis of the factors affecting trade between China and the countries along the One Belt, One Road • . And then, it is also important to promote Chinese bilateral trade with countries along new initiative. From the perspectives of import and export scale, and trade complementarity, China's potential for trade in goods among different countries is initially explored. My paper considers geographic distance, inflation rate, real interest rate, incomes, exchange rate, rule of law, corruption, government effectiveness, regulatory quality, population, the quality of border administration, and the quality of transport infrastructure as the influencing factors of bilateral trade. On this basis, using the data of import and export trade between China and the countries along the road from 2013 to 2019, the trade potential is estimated from the full sample and country type levels based on the gravity model.

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