AN EMPIRICAL ANALYSIS OF CORRELATION BETWEEN STATE LEADERS’ VISITS AND BILATERAL TRADE RELATIONS

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Chen Huaqiao
Ph. D., Associate Professor at Sichuan International Studies University
Add: No.33, Zhuangzhi Road, Lieshimu, Shapingba District, Chongqing, 400031, P.R.China
Mobile: 86-13668054729  E-mail: shenhuaqiao@aliyun.com

1 RESEARCH BACKGROUND

BRICS address highly attention to economic and trade issues. They try to use the political means to promote their economic and trade connections. Does political means can improve their economic cooperation? Whether the top official visits can push the process of BRICS economic and trade cooperation is worth further discussing.

2 RESEARCH HYPOTHESIS

We assume that those visits and their foreign trade development have a positive correlativity.

3 RESEARCH METHOD

Firstly, we chose the member of the Standing Committee of the Political Bureau of the Communist Party of China as our sample, and collect their overseas visits covered by People’s Daily from October 1st, 1949 to November 1st, 2012.

The reason we chose them as our sample is that they are the core of Chinese political power and can fully represent Chinese government’s diplomatic stance. And the same time, People’s Daily was regarded as the throat of Chinese government and can fully documented all top leaders’ foreign visits. We set the
statistical standard, such as visiting time, the name of the leader, country, and continent.

Secondly, we exam the Chinese and other countries trade figures. And we pay close attention to those countries which Chinese leaders visited. Last but not least, we compared those figures through linear regression analysis by SPSS software.

4 DATA ANALYSIS

4.1 Analysis of the Development Phase of Chinese Leaders’ Diplomatic Visits

Figure 1: The General Foreign Visits Statistics of the Member of Standing Committee
<table>
<thead>
<tr>
<th></th>
<th>America</th>
<th>Europe</th>
<th>Asia</th>
<th>Africa</th>
<th>Oceania</th>
</tr>
</thead>
<tbody>
<tr>
<td>1949-1965</td>
<td>0</td>
<td>35</td>
<td>49</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>1966-1977</td>
<td>0</td>
<td>4</td>
<td>8</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1978-1997</td>
<td>43</td>
<td>112</td>
<td>125</td>
<td>48</td>
<td>21</td>
</tr>
<tr>
<td>1998-2012</td>
<td>90</td>
<td>232</td>
<td>245</td>
<td>118</td>
<td>27</td>
</tr>
</tbody>
</table>

Tab1: The General Foreign Visiting Statistics of the Member of Standing Committee

4.2 Analysis of Chinese Leaders’ Diplomatic Visits to BRICS.

![Diagram of BRICS' Visiting Statistics]

Figure 2: The BRICS’ Visiting Statistics of the Member of Standing Committee

<table>
<thead>
<tr>
<th></th>
<th>Brazil</th>
<th>Russia</th>
<th>India</th>
<th>South Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>1949-1965</td>
<td>0</td>
<td>14</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>1966-1977</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1978-1997</td>
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<td>9</td>
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<td>0</td>
</tr>
<tr>
<td>1998-2012</td>
<td>8</td>
<td>27</td>
<td>8</td>
<td>14</td>
</tr>
</tbody>
</table>

Tab2: The BRICS' Visiting Statistics of the Member of Standing Committee
4.3 Chinese Leaders’ Visits to BRICS and Sino-BRICS Trade Relations

Figure 3: China and BRICS Trade Relations (10000 $)

Figure 4: Chinese Leader’ Visit to Brazil and Sino-Brazilian Trade Relations
Figure 5: Chinese Leader’ Visit to Russia and Sino-Russian Trade Relations

The Pearson Correlation between leaders’ visiting to Russia and their foreign trade development have a positive correlativity(0.552), and it is significant obvious($p<0.01$). The results may showed that both the diplomatic visiting and trade volume is steady developing these years.

Figure 6: Chinese Leader’ Visit to India and Sino-Indian Trade Relation
6  CONCLUSION

The data indicated that the significance of the BRICS in Chinese foreign strategy has been increasing recently, but top leaders’ foreign visits did not demonstrate a very close trade relationship with BRICS counterpart. Therefore, the result shows that it is not obvious that these visits can encourage its foreign trade volume, and vice versa. Thence, the economic and trade topics should be highly enhanced in the future agenda of such visits.

6  DISCUSSION

We only concentrated a very small groups and this could affected the valid of the data. The continuous study should enlarge the scope of the sample, and test the effect of larger sample of foreign visits on the bilateral trade relations. We just use linear regression analysis to test our hypothesis, and time series analysis was needed to investigate their relevance.