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An Empirical Study on the Impact of Tariff Reduction on China's Textile Industry under the Background of RCEP

Jiexuan Zhou[1], Lijun Wang[2], Qingqing Huang[3*], Hui Cai[4]
[1]Business School, Yancheng Normal University, Yancheng 224000, China
[2]International College, Krirk University, Bangkok 10220, Thailand
[3]Institute of Food and Strategic Reserves/Collaborative Innovation Center of Modern Grain Circulation and Safety, Nanjing University of Finance and Economics, Nanjing 210003, China
[4]Yancheng Institute of Technology, Yancheng 224002, China
[*]Correspondence: huangedu0124@163.com

Abstract: This paper introduces the basic concept of the Regional Comprehensive Economic Partnership (RCEP) agreement, the current situation of import and export trade and the textile industry, the global trade analysis model (GTAP model), the Chinese textile industry as the research object, the simulation forecast RCEP agreement tariff reduction, respectively set regional tariff reduction to 60% and regional tariff reduction to 100% realize free trade two situations for empirical research. A total of three simulated scenarios are studied. Finally, on the basis of the future development countermeasures of Chinese textile industry.

Keywords: Textile industry; RCEP; Tariff reduction; GTAP model.

1. Introduction

At the end of 2020, the world's largest free trade agreement, the Regional Comprehensive Economic Partnership, was finally signed after eight years and 31 rounds of formal negotiations. Since the 20th century, the development of economic globalization is unstoppable, and regional economic integration has become the mainstream trend of economic development. The main purpose of the RCEP agreement is to raise the level of trade liberalization within the region, and ultimately to achieve zero tariff levels and the reduction of non-tariff barriers for most goods. So for China's textile industry, what kind of impact RCEP will have on China's textile industry, and what kind of layout it should make, this paper has made some research. And put forward suggestions on the development direction of China's textile industry under the RCEP framework.

In the research on the economic benefits of the free trade zone, scholars mainly make use of the general equilibrium analysis, and the GTAP model is one of the most commonly used predictive analysis methods by foreign scholars. Shagdar and others used GTAP 9.0 to analyze the trade scale and economic benefits of the China, Japan and the ROK [1]. Cui, et al used the GTAP model to evaluate the economic effect of China, Japan and South Korea FTA [2]. Therefore, it is of some research value to analyze the economic effect of RCEP.

The RCEP agreement was drafted in 2011, and the formal research began in 2012. In the study of RCEP by foreign scholars, Kawasaki analyzed the importance of the regional economic agreement to the Asia-Pacific region, and calculated the favorable impact of the

cancellation of tariff measures and the reduction of non-tariff measures on [3]. Dr. Pitsuwan S shows through research that the signing of regional trade agreements has a great role in promoting global trade, and is conducive to promoting the development of regional economic integration [4]. Viner put forward the theory of customs union, the trade creation and trade transfer of customs union, the welfare effect of customs union and the export effect of the expansion of customs union [5].

Many domestic scholars have interpreted the RCEP agreement. Ren and his colleagues have made a detailed analysis of the measures related to general trade in goods, trade in services and investment involved in the RCEP agreement, and studied the impact of the agreement on the integration of regional economic and trade rules and the upgrading of regional industrial chains. The research shows that the signing of RCEP agreement has a promoting role in the development of regional economy and complies with the development of globalization. Compared with the development of anti-globalization such as trade protectionism, globalization is an inevitable choice [6].

Pan used the GTAP model to make assumptions, analyze the impact of China's participation on the competitiveness of China's textile industry after China's accession to the RCEP agreement, and put forward some policy suggestions for these impacts [7]. Zhao evaluated the economic benefits of RCEP protocol on the development of China's textile industry, and put forward suggestions for the development direction of China's textile industry under the framework of RCEP [8].

Through the study of relevant data at home and abroad, it can be found that RCEP has a promoting role in the development of global economic integration, and also shows great benefits for the development of China's textile industry. This paper further analyzes the impact of RCEP on China's textile industry, and puts forward some countermeasures and suggestions for the future development of the textile industry.

2. RCEP and the development status of China's textile industry

2.1 The purpose and motivation of the RCEP

The RCEP, known as the Regional Comprehensive Economic Partnership, was initially initiated by the ten ASEAN countries in 2012, and later invited China, Japan, South Korea, India, Australia and New Zealand to join them. It is a regional economic integration cooperation led by ASEAN. The purpose is to establish a unified large market of 15 countries by reducing tariff and non-tariff barriers to promote the economic development in the region.

The RCEP is based on WTO rules and higher level free trade agreements. The RCEP agreement covers a large area, including the 15 members covering the world's second and third largest economies, covering an area of 22.51 million square kilometers, covering 2.3 billion people, accounting for about 30% of the total global population. In 2020, the total GDP of RCEP members will reach 25.86 trillion US dollars. The signing of the RCEP marks the establishment of the world's most populous, largest free trade zone with the most development potential, where about one-third of the world's economy will become an integrated market, which will be a major change for the global economy.

For a long time, the European Union, north American free trade area in regional free trade has played an important role, the establishment of the RCEP will occupy an

important position in the future development of economic globalization, RCEP agreement members occupy most of the Asia-Pacific region, in the face of large and scattered market, the emergence of the RCEP integration of huge Asia Pacific market, optimize between fifteen trivial messy trade rules, but also balance the global strategic position of the Asia-Pacific economy.

2.2 The main content of the RCEP

The RCEP agreement covers a wide range of contents, including market access for trade in goods, services and other market access, as well as trade facilitation, intellectual property, e-commerce, economic and technical cooperation in 20 chapters [9-10]. The main goal of the RCEP State parties is to jointly establish a modern, comprehensive, high-quality and reciprocal economic partnership and cooperation framework, so as to promote economic growth within the region and contribute to global economic development. Chapter II of the agreement provides detailed provisions on trade in goods, and makes changes in tariffs, market access and import licensing. Chapter IV puts forward relevant administrative measures for customs procedures and trade facilitation. Chapter VI Strengthen the implementation of the WTO Agreement on Technical Barriers to Trade among member states and reach understanding on the technical regulations and standards of all countries in the region.

Inflator textile industry covers a wide range of tariffs, for example, the most direct result is that our country to Japan export cost greatly reduced, originally Japan to impose 8% to 11% of the textile and garment products tariffs, RCEP after part of the goods, the main export clothing products will gradually reduce to zero tariff. This series of adjustments is very conducive to industrial upgrading and transformation and the optimization of resource allocation.

2.3 Import and export trade scale of China's textile industry

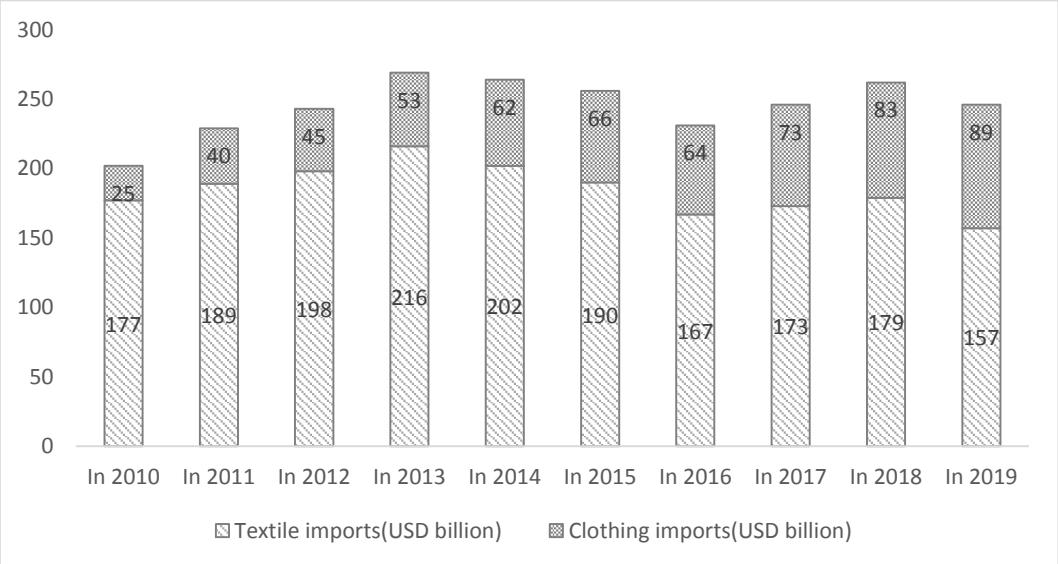

Figure 1 Statistical table of China's textile industry

(Source: China Free Trade Zone Service Network http://fta.mofcom.gov.cn/)

Textile industry is a traditional pillar industry in China, which plays an important role in ensuring foreign exchange reserves, adjusting international balance of payments, maintaining exchange rate stability, solving employment, and improving people's

livelihood. Since the primitive society, our country has the history of using wild materials making crude clothing, modern textile industry under the influence of reform and opening up and join the WTO, China has become one of the most striking countries in the global textile field, in 2019, China's textile exports has accounted for nearly two-fifth of global exports. According to the statistics of Figure 1 and Figure 2, the results show that in recent years, the import and export scale of textile and garment is stable, and China's textile industry occupies an important position in the world textile industry [11].

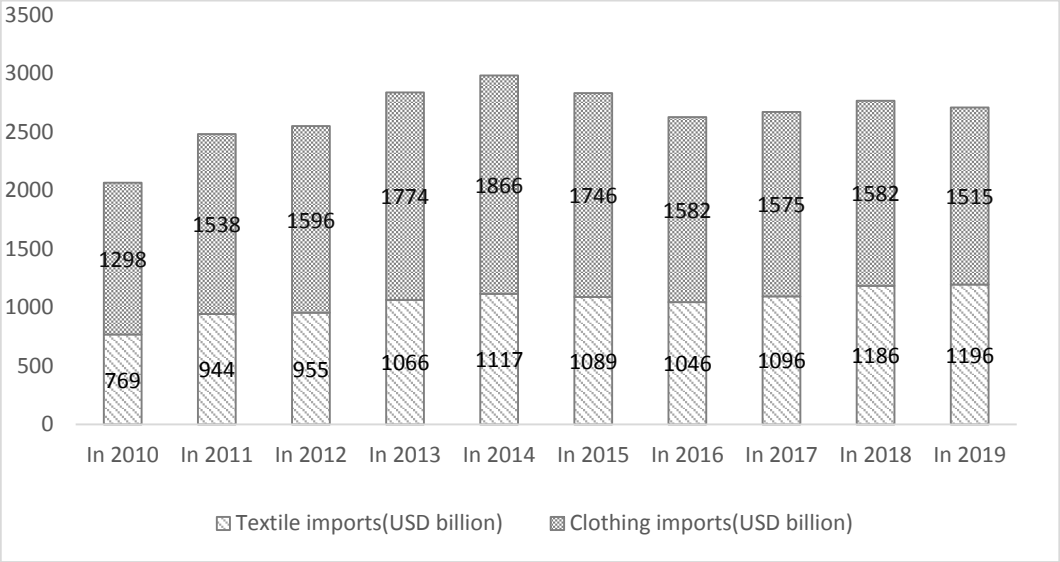

Figure 2 Export statistical table of China's textile industry
(Source: China Free Trade Zone Service Network http://fta.mofcom.gov.cn/)

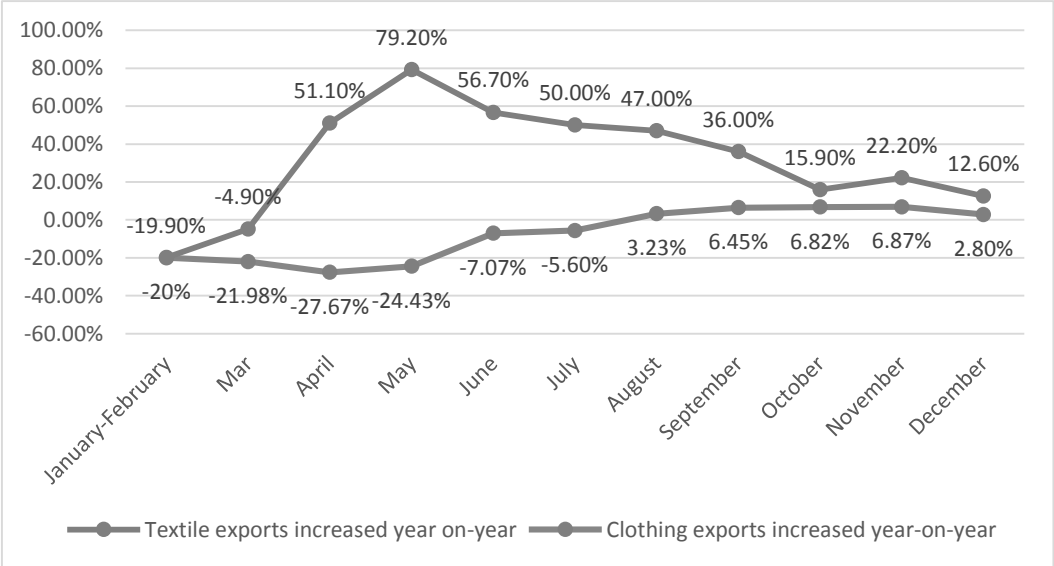

Figure 3 Statistical table of national textile industry export trade in 2020
(Source: China Free Trade Zone Service Network http://fta.mofcom.gov.cn/)

Due to the global spread of COVID-19 in 2020, the global textile industry has been affected to a certain extent, but according to the customs data, the export trade of China's textile industry shows a positive growth trend. As shown in Figure 3, in April, after the

epidemic was first controlled in China, the export growth rate of China's textile industry rose rapidly [12], driven by epidemic prevention materials, which brought recovery to China's textile industry after the epidemic. According to the statistics of the Ministry of Commerce, in 2020, China exported 224.2 billion masks, worth more than 50 billion US dollars, accounting for 34% of the total textile exports; 2.31 billion protective clothing, worth more than US $6 billion.

Other RCEP member states have always been important trading partners of China and have close trade cooperation in the textile industry. Figure 4 shows that in 2019 [13], China imported textile and garment from other RCEP countries to US $12.07 billion, which is 47.4% of China's total textile and garment imports. China exported textile and garment to other RCEP countries to US $76.19 billion, 27.1% of China's total textile and garment exports.

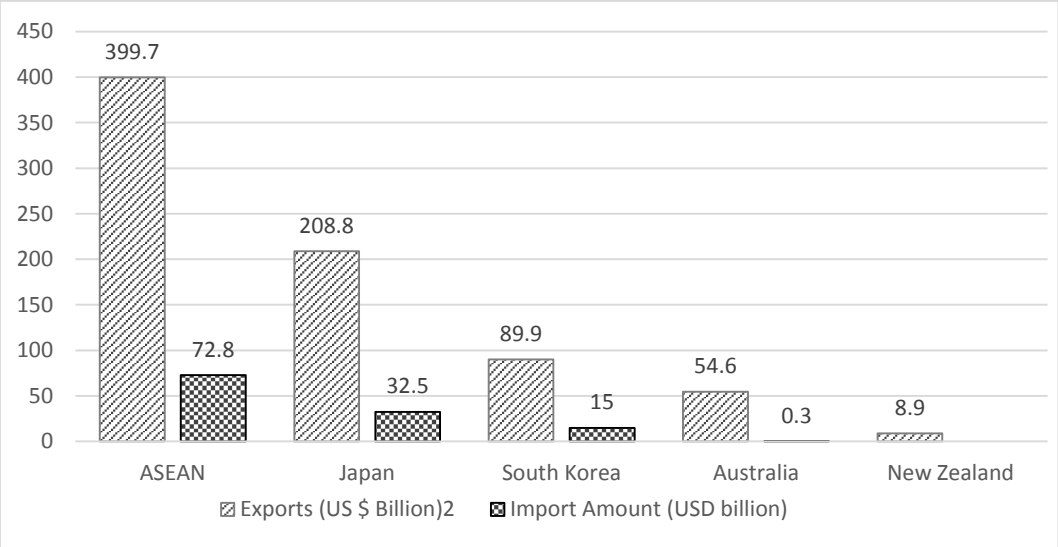

Figure 4 Statistical table of textile and garment import and export trade between China and other RCEP countries in 2019

(Source: China Free Trade Zone Service Network http://fta.mofcom.gov.cn/)

2.4 Adjustment of tariff and non-tariff measures under the RCEP agreement

The RCEP agreement adjusts tariff and non-tariff measures, two of which are zero tariffs for more than 90% of the trade in goods in the region, and reduce unnecessary technical barriers in the region to achieve trade facilitation. As shown in Table 1, the proportion of products between China and RCEP member countries.

Table 1 China and RCEP member states immediately have zero tariff ratio

RCEP member state	China immediately imposed a zero tariff ratio on RCEP members	RCEP members immediately imposed a zero tariff ratio on China
Japan	25%	57%
Korea; Republic of Korea	38.6%	50．4%
Australia; Aussie	64.7%	75.3%

New Zealand	65%	65.5%
Brunei	67.9%	76.5%
Cambodia; Kampuchea	67.9%	29.9%
(Name, located in the south of Indochina Peninsula in Southeast Asia)	67.9%	65.1%
Laos	67.9%	29.9%
Malaysia	67.9%	69.9%
Burma; Myanmar	67.9%	30%
the Philippines; Philippine Islands	67.9%	80.5%
Singapore	67.9%	100%
Thailand	67.9%	66.3%
Vietnam	67.9%	65.8%

(Source: China Free Trade Zone Service Network http://fta.mofcom.gov.cn/)

The signing of RCEP agreement makes the first free trade agreement between China and Japan. China has been the main source of textile and garment imports for Japan for a long time, so the textile tariff reduction measures between China and Japan will have a great impact on China's textile industry [14]. As shown in Table 2, the tax reduction ratio of related textile products in Chapter 1150-1163 of HS code between China and Japan.

Table 2 Proportion of tax reduction items for some textile products in China and Japan

HS Class XI, Chapter 50-63	China has cut its tariffs on Japan	Japan has cut its tariffs on China
Zero tariff immediately	33.7%	10.0%
Reduced to zero in year 11	37.6%	73.3%
Reduced to zero in year 16	28.0%	7.4%
Reduced to zero in year 21	0.0%	1.1%
Do not participate in tax reduction	0.7%	8.2%

(Source: China Free Trade Zone Service Network http://fta.mofcom.gov.cn/)

Aean is the initiator of the RCEP agreement, and in recent years, it has undertaken a large number of labor-intensive industries in China's textile and garment industry. The implementation of measures related to the RCEP agreement will further promote the multi-party cooperation between ASEAN and China. As shown in Table 3, it is the tariff reduction of China on the ASEAN textile industry under the RCEP agreement.

Table 3 The proportion of tax reduction from China to ASEAN textile industry

HS Class XI, Chapter 50-63	The proportion of China's tax reduction items to ASEAN
Zero tariff immediately	79.3%
It ed to zero in year 10	9.3%
The 15th was reduced to zero	2.4%
Reduced to zero in year 20	5.6%
Do not participate in tax reduction	1.5%
Maintain after falling to 5% in year 1	0.2%
Hold after falling to 3.8% or 7.5% at year 10	1.8%

(Source: China Free Trade Zone Service Network http://fta.mofcom.gov.cn/)

3. GTAP model construction of the impact of tariff reduction on China's textile industry under the background of RCEP

According to the theory of customs union, it can be known that tariff reduction can expand China's textile exports, promote economic growth and improve China's welfare level. Reducing non-tariff barriers can reduce the cost of textiles, promote the import and export of textiles, and maintaining an appropriate level of technical barriers to trade can also increase the welfare level of our country. The reduction of tariffs and the reduction of non-tariff barriers all have a certain impact on China's textile industry [15]. On this basis, this chapter makes an empirical study on the impact of RCEP on China's textile industry.

3.1 Introduction of the GTAP model

The empirical approach used in this paper is the computable general model ——GTAP model, and the GTAP (Global Trade Analysis Model) was developed by the Global Trade Analysis Program led by Professor ThomasW.Hertel of Pulton University.

The GTAP model is an international trade model designed based on the neoclassical economic theory and the general equilibrium theory. At the same time, the data in the model adopts the economic and trade data of various countries and industries around the world, which is more practical. In the GTAP model, the state, enterprise and private entities are "rational", the input-output is in a balanced state, the enterprise pursues cost maximization and profit maximization, and the private enterprise pursues utility maximization [16]. The GTAP model establishes the sub-model of production, consumption and government expenditure for each country (region), and forms a general equilibrium model of multiple countries and multiple departments. The model gives certain impact strength to the relevant impact variables, and solves the model to obtain the changes of economic and trade indicators such as production, trade, GDP, price and social welfare in different regions under the impact of different policies. The model is often used for trade policy, tax policy, energy policy prior forecast analysis or later impact analysis, this paper also to study the RCEP trade policy of policy impact, because the RCEP just signed success, many measures have not been in place, therefore, this paper belongs to the RCEP advance forecast analysis, also suitable for using GTAP model for empirical research.

3.2 Model Construction Method

3.2.1 GTAP version introduction

This paper conducts an empirical study, using the latest version of the GTAP model database GTAP10.0. GTAP10 includes the input and output data of 141 countries or regions in the world in 2014. Because the textile industry is an important industry of China's foreign trade, China is the world's largest producer and consumer of the textile industry. Therefore, this paper will conduct in-depth research on the textile industry, explore the impact of RCEP on China's textile trade, and put forward reasonable suggestions for the empirical research results.

3.2.2 Division of countries and departments

In the national classification of GTAP model, according to the research purpose of this paper, the research purpose of this paper is to establish the impact of RCEP free trade zone on China's textile industry [17]. Therefore, this paper classifies RCEP member states separately to classify the 141 countries or regions in the GTAP10 database as China, Japan, Korea, Korea, Australia, New Zealand, ASEAN and the rest of the world.

In department classification of GTAP model, because the main research object is the textile industry, and the textile industry in GTAP10 database includes textile and clothing, in order to explore the influence of RCEP on the whole textile industry in China, this paper will classify the textile industry, the 65 departments in the database into textiles, clothing and other industries.

3.2.3 The GTAP model structure

The GTAP model assumes that the market is a fully competitive market and the scale return of production remains unchanged. Under this assumption, the producer minimizes the production cost and maximizes the consumer utility, and all products and input factor markets are cleared [18]. At the same time, each country has only one account, and all the income from taxes, financial assets, capital and labor are accumulated into this account (regional sector in Figure 5). Suppose the country or the region of the country or region of the private sector and government spending and savings, savings into a virtual global bank, the bank decided the flow of investment, private spending and government spending will be buying domestic products and import foreign products respectively two departments, product sales is divided into domestic and export two departments. The income in the account is divided into three parts: private consumption, deposit and government consumption. The private expenditure equation uses the fixed difference elasticity (constant difference of elasticity, CDE) utility equation. The utility equation of the government adopts the Cobb-One-Douglas equation:

$$U=AX^{\alpha}Y^{1-\alpha}$$

Where U is the utility, A is the technical level parameter, X and Y are the product, and α is the share of X income in U.

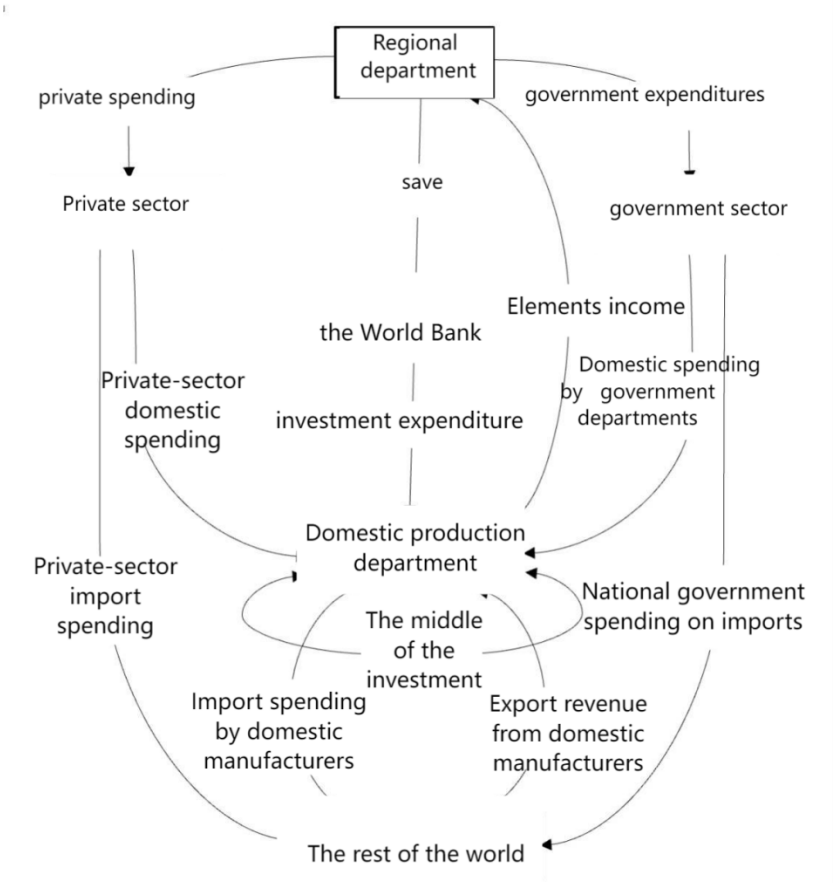

Figure 5 The GTAP model structure

GTAP model has a good effect on quantitative analysis of policies. With the continuous improvement of China's international status and the continuous development of global economic integration [19], it is of great value to use GTAP model to analyze the development of China's foreign trade. Based on the tariff reduction and non-tariff reduction policies in the RCEP agreement, this paper takes the Chinese textile industry as the research object to simulate and analyze the impact of RCEP on China's textile industry.

3.3 Empirical Scenario Design

2020 is the year of the outbreak of COVID-19, and the economies of the world have been impacted to varying degrees. The establishment of the RCEP Free Trade Zone is in the context of the outbreak. In order to stimulate their own economic growth, make up for the economic losses during the epidemic period and gradually recover their own economies, all countries have actively negotiated and signed the RCEP free trade zone agreement. According to Table 1, the average immediate tariff ratio between China and RCEP member states is about 60%, and in the RCEP agreement, countries will achieve free trade of goods through tariff reduction. Therefore, based on the different degrees of tariff reduction in the RCEP free trade agreement, this paper sets a regional tariff reduction of 60% and 100% for free trade. In addition, reducing unnecessary technical barriers to trade in the region is also an important measure emphasized in the agreement, so this paper also simulates the situation of reducing non-tariff barriers in the region by 10% on the basis of realizing free trade. A total of three simulated scenarios for the empirical study:

Scenario 1: A 60% reduction in tariffs on all goods among RCEP members;

Scenario 2:100% reduction of free trade on all goods among RCEP members;

Scenario 3: Free trade among RCEP members, while non-tariff trade barriers among members fall by 10%.

3.4 Analysis of the Empirical Research Results on the Impact of Tariff Reduction on China's Textile Industry in the Background of RCEP

The empirical research results of this paper will first from the perspective of China's overall economic analysis of the overall impact on China's macro economy, second, from the industry level of Chinese textile industry import and export structure, output and price changes, from the perspective of economy and industry more comprehensively reveals the specific influence of RCEP on China's textile industry.

3.4.1 Analysis of the impact of RCEP on China's macro economy

In the initial stage of the establishment of the RCEP FREE Trade Zone, when commodity tariffs among RCEP members were cut by 60%, there was a certain resource agglomeration effect, capital began to transfer to RCEP members, and China's investment also increased by 0.247% [20]. At the same time, the sharp decline of tariff trade barriers between RCEP member states has stimulated the development of foreign trade of each member states. Therefore, China's total import volume and total export volume showed a growth trend. China's total import volume increased by 1.577%, the total export volume increased slightly smaller, and China's total export volume increased by 0.962%. From the empirical results (see Table 4), China's export growth was less than the increase of imports, resulting in the decline of domestic trade balance by $8.7686 billion. The resource agglomeration brought by the RCEP agreement is bound to stimulate the economic performance of the RCEP member states. Under the positive stimulus of export and investment, China's real GDP increased by 0.058%. On the other hand, the growth of GDP led by 0.04%, while China's private consumption also increased by 0.066% with the positive economic growth. Therefore, overall, the country's overall social welfare has increased by us $5.952.8 billion. Establish RCEP7 macroeconomic brought more positive stimulus, and with the further decline of tariff trade barriers, when all commodities between RCEP members after free trade, China's economic indicators affected more obvious, due to further growth imports trade balance fell further, and investment, total imports and exports, government spending, private consumption, actual GDP and the overall social welfare changes are further increased, establish RCEP free trade area to our macroeconomic has brought a more profound positive impact. When the non-tariff trade barriers among RCEP member states also began to decline, the overall policy effect to China became more significant. China's actual GDP increased by 1.335%, the total import volume increased by more than 10%, the total export volume increased by more than 6%, and the overall social welfare level increased by 148.9523 billion US dollars. It can be seen that when the RCEP agreement is further deepened, China's macroeconomic development speed will also be further accelerated.

Table 4 Impact of RCEP on economic changes in China

	Scenario 1	Scenario 2	Scenario 3

reality GDP(%)	0.058	0.089	1.335
flow of investment (%)	0.247	0.417	2.491
government expenditures (%)	0.040	0.051	1.457
Private consumption of the (%)	0.066	0.097	1.681
Total import volume is (%)	1.577	2.749	10.301
Total export volume is (%)	0.962	1.696	6.008
Trade balance (USD billion)	-87.686	-153.382	-520.845
Social welfare (USD billion)	59.528	86.493	1489.523

3.4.2 Analysis of the impact of RCEP on the import and export scale of China's textile industry

(1) Impact on the import trade of China's textile industry

In-depth exploration of the impact of import trade in China's textile industry, it can be found from Table 5: in the initial stage of the establishment of RCEP free trade zone, China's textile and garment imports showed a growth trend. The growth rate of textiles was larger, with textile increasing by 6.618% and clothing increasing by 5.722%. This is because the RCEP free trade area greatly cut the textile industry import tariffs, which directly to domestic textile enterprises import trade brought more convenience, therefore, in the international textile industry cost reduction, domestic textile enterprises will improve textile and clothing imports, therefore, China's textile and clothing imports will also increase. The more the tariff is reduced, the lower the import cost of the domestic textile industry in scenario 2, and the greater the import growth rate of China's textile industry increases. At the same time, after the decline of non-tariff trade barriers among RCEP member states, the change range of import trade in China's textile industry has further increased, which means that the establishment of RCEP free trade zone has a greater impact on the import trade of China's textile industry.

Table 5 Impact of RCEP on Import Changes of China's Textile Industry (Unit: %)

	Scenario 1	Scenario 2	Scenario 3
Drygoods; textile; textiles; dry goods; soft goods	6.618	12.254	31.927

Dress; clothing; costume; fashion; accouterments	5.722	11.701	34.191

(2) Impact on the export trade of China's textile industry

From the perspective of the impact of export trade in China's textile industry (see Table 6), in the initial stage of the establishment of RCEP Free Trade Zone, the decline of textile tariff trade barriers between RCEP members also stimulates the import demand of RCEP members for China's textile industry. Therefore, so China's textile and garment exports will increase. Among them, China's clothing growth rate is greater, textile increased by 1.302%, while clothing increased by 3.04%. When the free trade among RCEP members was fully realized, the export cost of domestic textile industry was further reduced, and the growth rate of China's textile industry. the garment export increased by 5.271% and the textile export increased by 2.281%. At the same time, when the RCEP member states between non-tariff trade barriers fell, China's textile exports to further growth, but China's garment industry export trade growth has declined, garment exports grew only 1.66%, thus, reduce RCEP non-tariff trade barriers to China's textile export trade, more unfavorable to our garment export trade.

Table 6 Impact of RCEP on export volume of China's textile industry (unit: %)

	Scenario 1	Scenario 2	Scenario 3
Drygoods; textile; textiles; dry goods; soft goods	1.302	2.281	2.759
Dress; clothing; costume; fashion; accouterments	3.040	5.271	1.660

3.4.3 Analysis of the impact of RCEP on the output and price of China's textile industry

(1) Impact on the export price of the textile industry

From the perspective of export price of China's textile industry (see Table 7), when the commodity tariffs among RCEP member states were reduced, the export price of textile and clothing changed in the opposite direction. The export price of textile decreased by 0.01%, while the export price of clothing increased slightly, and the export price of clothing increased by 0.002%. However, after the realization of free trade among RCEP member states, the export price of textiles and clothing in China showed a downward trend, with the price of textiles decreased by 0.028% and the export price of clothing decreased by 0.008%. At the same time, when the non-tariff trade barriers between RCEP member states decreased, the export prices of China's textiles and clothing showed an growth trend, the export price of textiles increased by 0.51% and the export price of clothing increased by 0.629%. This means that the decline of tariff trade barriers will help to reduce the export price of the textile industry, while the decline of non-tariff trade barriers will increase the export price of the textile industry.

Table 7 Impact of RCEP on Export Price Changes of China's Textile Industry (Unit: %)

	Scenario 1	Scenario 2	Scenario 3
Drygoods; textile; textiles; dry goods; soft goods	-0.010	-0.028	0.510
Dress; clothing; costume; fashion; accouterments	0.002	-0.008	0.629

(2) Impact on the import price of the textile industry

In China textile industry import price point of view (see table 8), when the RCEP members between commodity tariffs cut, this directly greatly reduced the Chinese textile enterprises import costs, therefore, China's textile and clothing import prices are downward trend, textile import prices fell 0.037%, clothing import prices fell more, clothing export prices reduced by 0.229%. After the abolition of commodity tariffs among RCEP member states, the import cost of China's textile industry was also further reduced, so the import prices of China's textiles and clothing were further lowered [21]. At the same time, when the non-tariff trade barriers between RCEP member states decreased, it also brought more convenience to the import trade of China's textile industry, and the import price of China's textiles and clothing showed more decline. The import price of textiles decreased by 0.277%, and the import price of clothing decreased by 1.189%. It can be seen that both tariff trade barriers and non-tariff trade barriers have driven the reduction of the import cost of China's textile industry, and brought a downward trend to the import prices of textiles and clothing [22].

Table 8 Impact of RCEP on Import Price Changes of China's Textile Industry (Unit: %)

	Scenario 1	Scenario 2	Scenario 3
Drygoods; textile; textiles; dry goods; soft goods	-0.037	-0.041	-0.277
Dress; clothing; costume; fashion; accouterments	-0.229	-0.387	-1.189

(3) Impact on the textile industry output

From the perspective of the overall output impact of China's textile industry (see Table 9), in the initial stage of the establishment of RCEP Free Trade Zone, the decline of tariffs brought development opportunities to China's textile and garment industry, and the output of China's textile and garment industry increased, among which the garment output benefited more significantly, and the garment output increased by 1.254%. This is because

the garment export is the main export commodity of China's textile industry, and China's garment industry benefits the most when the tariff barriers fall. When the tariff trade barriers are further reduced, China's textile and clothing output also further increased, the growth rate expanded, textile output increased by 0.729% and clothing output increased by 2.147%. However, when the non-tariff trade barriers between RCEP decreased, the output of China's textile industry began to be impacted to a certain extent. The textile output decreased by 1.621% and the garment output increased by 0.443%. It can be seen that the establishment of RCEP free trade zone to reduce tariffs is beneficial to the development of China's textile industry, but the reduction of non-tariff trade barriers will limit the development of China's textile industry to a certain extent.

Table 9 Impact of RCEP on output changes in China's textile industry (unit: %)

	Scenario 1	Scenario 2	Scenario 3
Drygoods; textile; textiles; dry goods; soft goods	0.444	0.729	-1.621
Dress; clothing; costume; fashion; accouterments	1.254	2.147	0.443

4.Conclusion

After empirical research in this chapter, we can find that RCEP is conducive to the development of our economy, has a positive influence on GDP growth, is conducive to the welfare of the whole society, and with the reduction of tariff cuts and non-tariff barriers, China's investment, import and export, government spending, private consumption will further increase [23]. For China's textile industry, the reduction of tariffs will reduce the cost of international textile products, thus increasing the volume of China's imports. At the same time, the reduction of tariffs will reduce the export price of China's textiles, thus the increase of China's export. However, for the reduction of non-tariff barriers, the reduction of non-tariff barriers will increase the export price of China's textile, reduce the competitiveness of China's products, have a negative impact on the export of China's textile and garment products, and limit the output of China's textile industry. On the whole, RCEP has a positive impact on the development of China's textile industry, so the implementation of the RCEP agreement should be accelerated [24].

5. Countermeasures for the Development of Chinese Textile Industry under the Background of RCEP

After empirical results show that RCEP agreement on the development of macroeconomic has larger positive impact, is both an opportunity and a challenge for our textile industry, after RCEP protocol implementation, our textile industry will inevitably great changes, according to the theory of customs union need to our textile industry layout in advance, the effect of customs union can be divided into static effect and dynamic effect.

(1) Strengthen the strength of a static customs union

Accelerating the implementation of RCEP measures is a top task in China. If the RCEP agreement is implemented in place, China's trade liberalization level will undoubtedly be promoted to a high level. According to the analysis of this paper, the RCEP agreement can promote China's GDP growth, which is beneficial to the development of China's macro economy.

Therefore, the government needs to further strengthen exchanges and cooperation with countries in the region, deepen the established free trade relations between countries, make good use of the economic platform built by the RCEP agreement, show the responsibility of a major country, and lead the economic development of the whole region. The government also needs to organize the internal publicity and interpretation of the RCEP agreement, so that more enterprises can understand and use the relevant contents of the agreement, optimize the allocation of resources in the industry, so that China's textile industry can develop steadily. Only in this way can we stabilize the position of China's textile industry in the world and enhance the ability to deal with various uncertain risks.

Promoting industrial upgrading and transformation can bring new development possibilities to China's textile industry. China's textile industry should actively promote the upgrading and transformation of domestic industry and deepen the industrial reform. According to the relevant analysis of this paper, after the signing of the RCEP agreement, ASEAN countries will speed up the undertaking of China's labor-intensive textile industry. Domestic enterprises that originally rely on cheap labor costs and occupy a certain share will face a huge threat, so industrial upgrading and transformation is necessary. Therefore, the government and industry associations should guide enterprises to accelerate the investment in technology research and development, cultivate new brands with high added value, and guide China's textile industry to shift from the pursuit of advantages in labor and cost to the progress in technology and service fields.

Enterprises should also be under the guidance of policy strengthen enterprise self-confidence, not blindly outward, to find the development direction, establish the corresponding technology research and development center, the introduction of technical personnel, increase investment in technical equipment, improve production efficiency, is committed to the low value-added labor-intensive products to high added deep processing products, through technological innovation, enhance the enterprise core competitiveness, promote China's textile industry to create brilliant.

(2) Optimize the dynamic resource allocation

Focus on the construction of industrial clusters and brands, vigorously promote the development of textile and garment industry cluster need the leadership of leading enterprises, leading enterprises as the core, form the pyramid form of industrial organization, to better play to the high quality development of industrial cluster, so China's textile industry to establish brand consciousness, build the strength of textile enterprises, made in China more brand recognition. It has become an inevitable way to develop the textile industry to clarify the historical development direction and vigorously promote the cluster development of the textile and garment industry.

In 2019, China Textile Association set up corresponding pilot areas of world-class industrial clusters in various places, such as world-class home textile industrial cluster

pilot zone in Binzhou, Shandong, world-class textile industrial cluster pilot zone in Suzhou, Jiangsu, and world-class wool industrial cluster pilot zone in Dongguan, Guangdong. These industrial clusters have played an important role in improving economies of scale and optimizing industrial division of labor through scientific planning. Therefore, under the RCEP agreement, China's textile industry is only more closely condensed together to give full play to its industrial advantages and enhance the core competitiveness of the industry.

To foster new types of trade methods, modern trade mode has been very different from the traditional trade mode, and the modern trade mode is more flexible. The traditional single offline entity sales mode has exposed its disadvantages. Cultivating new trade methods and developing diversified sales methods, such as online exhibitions, online services, live streaming with goods, cross-border e-commerce, etc., will bring greater extension space to China's textile industry.

And under the RCEP agreement of the whole regional trade from numerous to Jane, the allocation of resources more reasonable, the textile industry cost are reduced, want to get more profit space, you need to start to the middle link of production and consumption, the Internet is a good tool, big data era, China has a leading 5G technical support and rich experience in cross-border electricity, textile enterprises using the Internet, shorten the sales chain, directly connected factory and consumers will further promote the development of industry.

Strengthening industrial innovation and personnel training, innovation is the soul of enterprise development, enterprises need to have a keen judgment of the consumer market, continuous innovation, to meet the needs of the market. Enterprises can develop to customized products, the present society people more inclined to personalized demand, with the continuous improvement of consumption ability, people demand for clothing textile, more to the brand added value, personalization, customized become the more popular words, however the industry enterprise is relatively scarce.

The cultivation of professional talents is the key to the innovation of China's textile industry, so the society and the government need strong support. Under the RCEP agreement, not only is the circulation of goods more convenient, but also the circulation of personnel is more convenient. While introducing innovative technical talents in the textile industry, we should also cultivate our own innovative talents. In colleges and universities, we need to open corresponding majors, cultivate people with solid professional knowledge, and guide these talents into our textile enterprises, learn to innovate in practice, use their professional knowledge, help the industry innovation and upgrading; in enterprises, we should take corresponding subsidy measures, retain the talents, while to provide them with a good research and development environment, encourage them to continue to study.

Data Availability Statement: The data that support the findings of this study are available on request from the corresponding author.

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