## Why have China's large enterprises exported cleaner than small and medium ones?

Topic: Input-Output Analysis: Trade and Global Value Chains Policies - VII

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To export cleaner has been one important assignment of China's transition to a green economy. Although emissions related to China's exports have been investigated extensively, the size heterogeneity of export enterprises is often disregarded. In this study, we re-evaluate China's export-related CO2 emission performance of large, medium, and small enterprises by compiling extended input-output tables that differentiate the production activities of three different-sized enterprises. We find that a high proportion (68% in the year 2007 and 56% in 2012) of CO2 emissions embodied in China's industrial exports were emitted by small and medium-sized enterprises. The emission intensities for exports (EIEs) show that China's large enterprises exported clearly cleaner than small and medium ones. We further adopt the structural decomposition analysis to identify the driving factors of the EIEs gaps. The findings imply that the higher share of imported intermediate inputs and the cleaner export bundles were the two major determinants that drove the lower EIEs of large enterprises. Our research provides significant policy implications for achieving China's target of providing cleaner products for the international market.