

Research Question

Results

	Chinese	Joint Venture	Imports
MSRP (Chinese Yuan)	8,79	16,98	51,97
Fuel Consumption Rate (L/100km)	6.8	7.2	8.1
Power (kw)	89	108	177
Engine Size (L)	1.598	1.798	2.498
Weight (kg)	1320	1395	1635
Length (m)	4570	4582	4729
Width (m)	1780	1798	1864
Height (m)	1680	1483	1500
Wheelbase (m)	2685	2685	2780

- How did the engine size tax impact the attributes of vehicles that automakers supplied to the Chinese market? Did the policy actually drive the automakers to decrease engine size and cluster sizes around the cutoff points?
- If the policy did significantly change manufacturing decisions, what is the impact of the change on fuel efficiency? Does it improve or deteriorate the fuel efficiency of vehicles supplied?
- Did the policy have similar effects on different manufacturers? Do domestic automakers respond to the policy change differently than foreign ones because of different levels of commitment to the Chinese market?

Data

- Vehicle specification dataset from 2004 to 2016 including data on vehicle dimensions, weight, fuel efficiency rating, engine horsepower and engine sizes. Retrieved from an online database.



		Downward engine size difference (1)					
		Cutoff-crossed			Became Turbocharged/Supercharged		
		(1)	(2)	(3)	(1)	(2)	(2)
					Boninal savings in engine size tax (Chinese Yuan ¥)	0.347 (0.223)	0.078 (0.039)
Downward difference in proportion of current engine size	-0.968** (0.217)	0.286** (0.052)	0.175** (0.035)	0.277** (0.058)	-0.738** (0.346)	-0.649** (0.161)	-0.161** (0.078)
Downward engine size difference	(1)						
Potential reduction in engine size tax rate	2.18** (0.529)	3.35** (0.627)	2.51** (0.739)				
Engine size (litres)							
		Reduction in fuel consumption (1)					
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		(1)	(2)	(3)	(4)	(5)	(6)
Year (T)							
Post-2006 (years)	-0.103 (0.015)	-0.259 (0.0282)	-0.00161** (0.000202)	-0.00158** (0.000196)	-0.512** (0.094)	-0.506** (0.081)	-0.533** (0.086)
Post-2008 (years)					-0.564** (0.077)	-0.746** (0.088)	-0.572** (0.081)
Engine_post2006 (years)							
Engine_post2008 (years)							
Engine_size (litres)							
Cutoff-crossed					0.014** (0.216)	-0.429 (0.275)	-0.054 (0.275)
Reduction in engine size (1)					1.59** (0.359)	1.79** (0.392)	1.70** (0.397)
Became turbocharged/supercharged (in make technology)					-0.509** (0.0214)	-1.54** (0.0214)	-1.91** (0.039)