

Effects of China's capital controls on individual asset categories

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ABSTRACT

We empirically assess the effects of China's capital controls on individual asset categories by using the local projection method. Our results show stark differences among individual asset categories. Capital controls on equity and financial credits affect both the corresponding inflows and outflows significantly, whereas those on the other three asset categories (bonds, commercial credits, and direct investment) do not.

KEYWORDS

Capital controls; China; Local projection

JEL CLASSIFICATION

F38; F32; G15