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**Title:** Testing the LOOP in the Chinese Wholesale Food Markets

***Abstract***

This paper seeks to examine whether or not the law of one price (LOOP) holds in the Chinese wholesale food markets. More specifically, several integration models, including the Ravallion model, will be used to evaluate pricing efficiency in a number of major wholesale food markets in Beijing, Nanjing, Shanghai and Shenzhen over the period 1993 to 1999. The estimation results tend to reinforce the notion that these markets are still in their earliest stages of ownership and development, and exhibit diverse focuses and levels of managerial prowess. The policy implications of the analysis for the further reform of wholesale food marketing will be explored.

Keywords: China, integration, wholesale food markets