RIETI Discussion Paper Series 22-E-007

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RIETI Discussion Paper Series 22-E-007
February 2022

Third country effects of Trump tariffs: Which countries benefited from Trump's trade war?*

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Abstract

Using monthly US tariff-line trade data, this paper analyzed the third country effects of Trump's trade war against China; more specifically, whether other countries captured the US market at the expense of China. The findings demonstrate that Trump tariffs against China substantially decreased US imports from China, whereas many US import partner countries increased exports to the US at the expense of China. The study also finds that although there was no sign of a decrease in border prices for US imports from China (no terms-of-trade improvement), US imports from other partner countries of Trump listed goods (targeting China) show a decrease in border price.

Keywords: Trade war, Trump, China
JEL classification: F10

* This study is conducted as a part of the Project "Studies on Foreign Direct Investment and Multinationals: Impediments, Policy Shocks, and Economic Impacts" undertaken by the Research Institute of Economy, Trade and Industry (RIETI). This study is partly supported by JSPS's Grants-in-Aid for Scientific Research (20H01501).
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1. INTRODUCTION

"I am a Tariff Man. When people or countries come in to raid the great wealth of our Nation, I want them to pay for the privilege of doing so. It will always be the best way to max out our economic power. We are right now taking in $billions in Tariffs. MAKE AMERICA RICH AGAIN"

—Donald J. Trump (@realDonaldTrump) December 4, 2018

The 45th US president, Donald Trump, utterly changed the US international trade policy from one of leadership and advocacy of free trade to protectionism.

Did the US "win" this trade war? Since 2019, the international trade literature has consistently demonstrated that US national welfare was diminished by President Trump's trade war; however, the effects on third countries have not yet been fully investigated. If Chinese firms cannot profitably sell their goods in the US because of Trump's tariffs, other countries that are not subject to Trump tariffs may capture US demand and increase exports to the US. This study investigates the countries benefiting from the Trump tariffs.

This study's findings are summarized as:

1. As found in the existing literature, Trump tariffs substantially decreased US imports from China in both value and quantities; however, border (tariff-exclusive import) prices did not decrease, indicating no sign of improvement in the terms-of- trade for the US.
2. Although China decreased its exports to the US market, developing and developed US trade partner countries increased exports to the US for Trump targeted goods, at the expense of China.

2. TRUMP TARIFFS

Having taken office in January 2017, US President Donald Trump suspended US negotiations regarding the Trans-Pacific Partnership on his first day in office and started renegotiation of the North American Free Trade Agreement). In January 2018, arguing that import surge is a substantial cause of serious industrial injury as the condition for imposing safeguard duties, he imposed such duties on washing machines (import duty: 50%) and solar panels (import duty: 30%), based on Section 201 of the Trade Act of 1974. In March 2018, arguing that steel and aluminum imports were threatening to impair national security, he imposed tariffs on steel (import duty: 25%) and aluminum (import duty: 10%). In July 2018, President Trump began to impose a series of import tariffs targeting China based on Section 301 of the Trade Act of 1974, signing executive orders for three consecutive tariff increases on imports from China. This study focuses on these three Trump tariffs on imports from China. Table 1 summarizes Trump's tariffs on China. The targeted products are defined at 8-digit Harmonized System (HS) product codes. There are 11,300 HS 8-digit products. The first tariff increase was imposed on 818, primarily high-value added products, such as industrial equipment. The import duty was raised to 25% for all these products, becoming effective on June 6, 2018.

We call the list of products targeted in the first tariff increase as "List 1." The second tariff increase was on 279, primarily industrial, products, such as plastics, semiconductors, and railway parts ("List 2"). The import duty was 25% for all the 279 products, and was effective on July 23, 2018. The third tariff increase covers a much larger number of products; 5,745 products are on the list, which are primarily consumer products ("List 3"). Tariffs were increased in two stages. On September 24, 2018, it was raised to 10%, and then increased to 25% on May 10, 2019, ultimately comprising 6,842 products and representing 48.8% of the US import value from China. Remarkably, almost a half of the US imports from China in terms of import value were subject to Trump tariffs.

3. LITERATURE

The effects of Trump tariffs on the US economy have been investigated by multiple economists. Using US tariff-line level monthly trade data, Amiti, Redding, and Weinstein (2019) showed that Trump tariffs negatively affected US imports from China. More specifically, a 1% increase in Trump tariff decreased US import values and quantities from China by 1%–6%. They also demonstrated no impact on border (tariff-exclusive import) price; namely, no terms-of-trade effects. This indicates that Trump tariffs were wholly passed through to the US domestic price, ultimately leading to welfare loss in the US. They estimated that consumers and firms in US who purchased imported goods from China paid 3.2 trillion US dollars in additional tariffs and the US, as a nation, suffered 1.4 trillion US dollars of deadweight loss as of December 2018. Applying event study estimation, Fajgelbaum, Goldberg, Kennedy, and Khandelwal (2020) showed that the US import value of Trump listed goods from targeted countries decreased by 31.7%, whereas the US total import value for Trump listed goods, irrespective of import partner countries (regardless of whether import partners are subject to Trump tariffs or not) decreased by 2.5%; US firms and consumers who bought Trump listed import goods suffered 51 trillion US dollars of real income loss, which is equivalent to 0.27% of the US GDP. The sum of this loss for US firm and consumers, plus an increase in consumer surplus (due to a slight decrease of border price) and tariff revenue, resulted in a loss of 7.2 trillion US dollars, which is equivalent to 0.04% of the US GDP. They also examined the effect of retaliatory tariffs imposed by Trump targeted countries (namely, China and the EU), finding a 9.9% decrease in US exports of tariff-subjected goods to these countries and retaliatory tariffs were wholly passed through to importing countries. Cavallo, Gopinath, Neiman, and Tang (2021) demonstrated similar findings to the above studies; most notably, the total pass-through of Trump tariffs to the US domestic price. For the case of consumer goods, such as washing machines, handbags, and refrigerators, the tariff burden was found to be wholly passed on to retailers, rather than consumers, as the retail price of these goods did not change. They also showed that the tariff pass-through rates of retaliatory tariffs were 50%, meaning that US exporters decreased sales prices by 50% of the tariff rates,[3] and China and the EU imported the goods by footing the bill of the 50% of tariff rates. In other words, there is a 50–50 burden sharing between importers (China and the EU) and the exporter (the US).

[3] As the Trump tariffs are 25%, US exporters had to decrease sales prices by 12.5%.

Flaaen, Hortacsu, and Tintelnot (2020) investigated the tariffs imposed by President Trump in January to March 2018, which targeted many countries, including China and even the US allies, such as Canada, the EU, and Japan. They compared Trump tariffs of January–March 2018 with the anti-dumping duties imposed by the US on Chinese firms in 2016. They showed that consumer price did not change in the case of anti-dumping duties, but increased in the case of Trump tariffs of January–March 2018, arguing that this difference arises because the anti-dumping duties were only imposed on relevant Chinese firms; thus, goods are imported from other countries instead, whereas Trump's safeguard duties applied to all countries.

4. DATA AND ANALYSES

4.1. *Data*

We use monthly tariff-line trade data for 233 import partner countries drawn from the World Trade Atlas for 13 months (six months before and after the month of Trump tariffs taking effect). To confirm the negative effect of the Trump tariffs on US imports from China, we first replicate previous studies. We then investigate whether countries other than China increased exports to the US, replacing China. More specifically, we analyze whether imports of the products that were targeted by the Trump tariff increased from other import partner countries.

4.2. *Descriptive analyses*

Figure 1: presents the US import values from January 2017 to December 2019. The total import value of the US during the Trump administration was stable. Figure 2: shows the US import for List 1 goods from China and other countries. The import value from China is measured on the left vertical axis, whereas that of other countries is measured on the right vertical axis. The import value from China clearly decreased from a few months prior to the effective date of the Trump tariffs, likely representing an anticipatory effect. Conversely, the import values from the other countries slightly increased. Figure 3 presents the case for List 2 products, observing the same trend as List 1. The case for List 3 is presented in Figure 4, wherein the import values from China clearly decreased, while import values from other countries did not change.

4.3. *Estimation analyses*

In this section, first we replicate existing studies regarding the effect of Trump tariffs on US imports from China to confirm the consistency of our analyses with the existing studies. We then analyze whether other countries benefited at the expense of China, which is the focus of this study.

4.3.1. Effects of Trump tariffs on US import values and quantities (replication of existing studies)

Following the existing literature, the estimation equation we adopt is as follows:

$$\ln ImpVal_{igt} = \beta_0 + \beta_1 TrumpListEffectiveDummy_{igt} + \alpha_{ig} + \alpha_{gt} + \alpha_{it} + \varepsilon_{igt}, \quad (1)$$

where $ImpVal_{igt}$ is the US import value of good g from country i at time t (month/year),

$TrumpListEffectiveDummy_{igt}$ takes 1 if an import good g is Trump tariff listed, country i is China, and time t is after the effective date (practically, month) of Trump tariffs; otherwise, 0. α_{ig}, α_{gt}, and α_{it} are country-goods fixed effects, goods-time fixed effects, and country-time fixed effects, respectively. ε_{igt} is the error term capturing unobservable shocks for a given igt. Estimation results are presented in Table 2: Estimation results for Trump tariff effects on US import values. $TrumpListEffectiveDummy_{igt}$ elicits highly statistically significant coefficient estimates with negative signs, as found in the existing literature.

We also estimate the model with import quantity as a dependent variable with the following equation:

$$\ln ImpQty_{igt} = \beta_0 + \beta_1 TrumpListEffectiveDummy_{igt} + \alpha_{ig} + \alpha_{gt} + \alpha_{it} + \varepsilon_{igt}, \quad (2)$$

where $ImpQty_{igt}$ is the US import quantity of good g from country i at time t(month/year).

Table 3: Estimation results for Trump tariff effects on US import quantities presents the estimation results, which are very similar to those of the import values in Table 2: Estimation results for Trump tariff effects on US import values.

4.3.2. Terms-of-trade effects (replication of existing studies)

An intriguing question that trade economists have been investigating in terms of Trump tariffs is its terms-of-trade effects. Specifically, as a large country, in the sense of its considerable domestic demand relative to total global demand, the US can raise its national welfare by imposing a certain level of tariffs, which drags down the world equilibrium price and reduces its tariff-exclusive (border) price. We also replicate the existing studies on this issue. For this aim, we construct a log of unit value, defined as import value, $ImpVal_{igt}$, divided by import quantity, $ImpQty_{igt}$, as the dependent variable. The estimation equation is

$$\ln\left({ImpVal_{igt}}/{ImpQty_{igt}}\right) = \beta_0 + \beta_1 TrumpListEffectiveDummy_{igt} + \alpha_{ig} + \alpha_{gt} + \alpha_{it} + \varepsilon_{igt} \quad (3)$$

Table 4: presents the estimation results. The coefficient estimates for Lists 1 and 3 are statistically insignificant, whereas those for List 2 are statistically significant with a positive sign, contradicting our expectation of a negative sign. Given a small number of products in List 2, and the considerably larger number of products in List 3, this result aligns exactly with the findings of the existing literature that estimated the average effect for the Trump tariffs for the products in all the lists.

4.3.3. Which countries benefited from the Trump tariffs against China (trade deflection effects)?

To examine the third country effects of Trump tariffs against China, we estimate the following equation:

$$\ln ImpVal_{igt} = \beta_0 + \sum_{i=Mex,\,Can\ldots}^{Vietnam} \widetilde{\beta_{1i}}\, TrumpListEffectiveDummy_{igt} + \alpha_{ig} + \alpha_{gt} + \alpha_{it} + \varepsilon_{igt}, \quad (4)$$

where i is a set of the top 10 US import partner countries, which are Canada, Germany, India, Ireland, Italy, Japan, Korea, Mexico, the UK, and Vietnam. t is month/year and belongs to the pre- and post-tariff-effective period. The pre-tariff-effective period is defined as six months prior to the tariff effective month, and the post-tariff-effective period is defined as six months following the tariff effective month. (For example, in the case of List 1, which became effective in June 2018, six months from July 2018 to December 2018 is the post-tariff-effective period.) $\widetilde{\beta_{1i}}$ is a vector of coefficients with 10 elements representing the top 10 importing countries. When i is Mexico, g is Trump tariff listed goods targeting China, and t is in the post-tariff-effective period, $TrumpListEffectiveDummy_{igt}$ for Mexico takes 1; otherwise, 0. This estimation equation captures the change of US imports from the top 10 import partner countries pre- and post-Trump tariffs. α_{ig}, α_{gt}, and α_{it} are country-goods fixed effects, goods-time fixed effects, and country-time fixed effects, respectively. ε_{igt} is the error term capturing unobservable shocks for a given igt.

The estimation results are presented in Table 5:. Column (1) shows the results with a log of import values as the dependent variable. Mexico, Vietnam, and India show statistically significant coefficients with a

positive sign, indicating that these countries increased exports of Trump listed goods at the expense of China. The other top 10 partner countries are developed countries, for which coefficient estimates are largely statistically insignificant. The UK and Italy show statistically significant coefficients with negative signs. As it may take time (time lag) for other countries to react to or take advantage of a decreased share of Chinese suppliers in the US market, in Column (2), pre- and post-Trump tariffs are divided into a pre-period of six months prior to the effective month plus three months (nine months) after the effective month and a post-period of six months after the pre-period. For example, for the case of List 1 goods, the effective month is June 2018, then six months from December 2017 to May 2018 and three months from June 2018 to August 2018 (in total nine months), are defined as the pre-period, whereas six months from September 2018 to February 2019 are defined as the post-period. Mexico is now insignificant, whereas Vietnam continues to show highly statistically significant coefficient estimates. The coefficient estimates for other countries are largely insignificant. Columns (1) and (2) analyses only include positive trade flows; however, some countries/products might begin exporting to the US, replacing China, eliciting zero to a positive number. To address this, Column (3) includes zero trade in the consideration and estimates the equation using the Poisson Pseudo Maximum Likelihood (PPML) model as proposed by Silva and Tenreyro (2006) with months of data (six months prior to and following the tariff effective month/year). Nine out of the 10 countries show statistically significant positive coefficients, and its sign is positive. Specifically, when considering zero trade (extensive margins), almost all US trade partners increased exports to the US. Column (4) shows the case of PPML for 15 months (time lag). Seven out of ten countries show statistically significant coefficient estimates with positive signs, with the other three being statistically insignificant. Columns (5) to (8) show the estimation results for import quantity as the dependent variable. The coefficient estimates for nonzero trade are largely positive and significant (Columns (5) and (6)). The cases of PPML are somewhat mixed, although positive significant coefficients are the majority. Columns (9) and (10) show the results using import unit value as the dependent variable, revealing largely negative coefficient estimates with negative signs and no positive significant coefficient estimates. This result indicates that the US may have enjoyed terms-of-trade effect to some extent (although import prices from China have not decreased, as demonstrated above). Comparing Columns (1), (5), and (9), which all present 12-month analyses, largely positive signs for quantities and largely negative signs for unit values indicate that those countries have increased quantities by reducing unit values (i.e., sales prices).

Table 6 presents the product categories of Trump listed tariff goods in which countries with statistically significant positive coefficients (Canada, Germany, India, Japan, Mexico, and Vietnam) increased exports. Change in US imports from China before and after the effective dates Trump tariffs are calculated and presented in ascending order.

Table 6 shows the 20 most adversely affected HS 2-digit categories in US imports from China. For example, HS 2-digit code 43: Furskins and Artificial Fur; Manufactures Thereof, registered the largest negative growth of −50.2% as the number in the column “Imports from China” demonstrates. For this product category, the US also reduced its imports from Canada (−15.1%), India (−25.8%), Japan (−98.5%), Mexico

(−97.5%), and Vietnam (−91.2%), whereas US imports from Germany increased (+24.9%). Differences between developed countries (Canada, Germany, and Japan) and developing countries (India, Mexico, and Vietnam) are not evident. Focusing on the developing countries that may directly compete with China in the US market, the three countries (India, Mexico, and Vietnam) increased exports to the US. Some patterns seem to emerge. India increased its exports of primarily simple raw materials, such as Code 51: Wool, Fine Or Coarse Animal Hair; Horsehair Yarn And Woven Fabric, and Code 5: Products Of Animal Origin, Not Elsewhere Specified Or Included to the US; Vietnam increased its exports of primarily raw textile materials, such as Code 50: Silk, and Code 60: Knitted Or Crocheted Fabrics; and Mexico increased its exports of primarily industrial products, such as Code 31: Fertilizers, and Code 86: Railway Or Tramway Locomotives, Rolling Stock And Parts Thereof; Railway Or Tramway Track Fixtures And Fittings And Parts.

4.3.4. Choice of Trump tariff target goods

The above findings of the changes in suppliers from China to the other partner countries pose a question of whether the Trump administration strategically chose replaceable goods. If China is the sole supplier or a predominantly major supplier of a particular product for the US, imposing substantial tariffs may afflict the US buyers. Conversely, if a product is supplied by many partner countries, it is easy to switch from China to other partner countries. To investigate this issue, the following equation is estimated. As the dependent variable is binary, we use probit estimation:

$$Pr(y = 1|x) = \int_{-\infty}^{\beta x} \varphi(v)\, dv = \Phi(\beta x), \tag{4}$$

where y takes 1 when the good is chosen for Trump tariff and 0 otherwise. x is the share of imports from China over global imports. $\varphi(v)$ is a standard normal density function. The estimation results are presented in the top panel of Table 7. Column (1) shows the case for all Trump listed goods, and Columns (2)–(4) show the estimation results for each Trump listed good separately. These results indicate that goods that are dependent on import supply from China tend not to be chosen as Trump tariff targeted goods. The same equation is also estimated by a logit model, and the results are shown in the bottom panel of Table 7, and are consistent with the probit model.

5. CONCLUDING REMARKS AND DISCUSSION

Using monthly tariff-line trade data of the US, this paper analyzed the third country effects of Trump's trade war tariffs against China; more specifically, whether other countries captured the US market at the expense of China. The findings demonstrate that Trump tariffs against China substantially decreased US imports from China, whereas many US import partner countries increased exports to the US at the expense of China. We also find that although there was no sign of decrease in border prices of US imports from China (no terms-of-trade improvement), US imports border price decreased for other partner countries supplying Trump listed goods (targeting China). Further investigation of why the border (tariff-exclusive) prices for the other partner countries largely declined, whereas those for China did not decline, is a future work to be

conducted.

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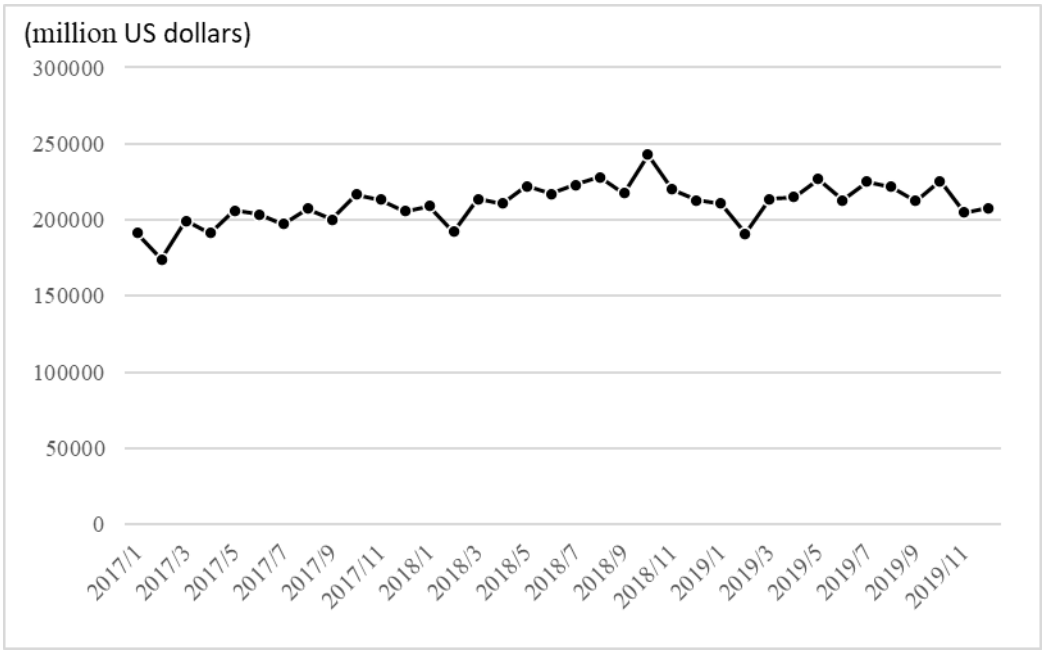
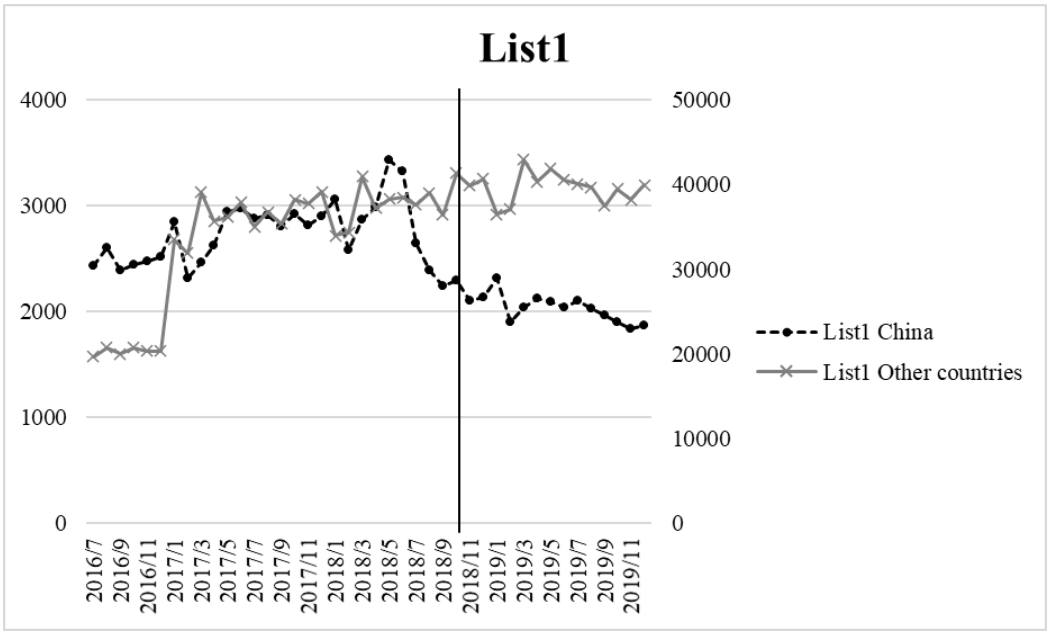
Figures and Tables

Figure 1: US import values from the world



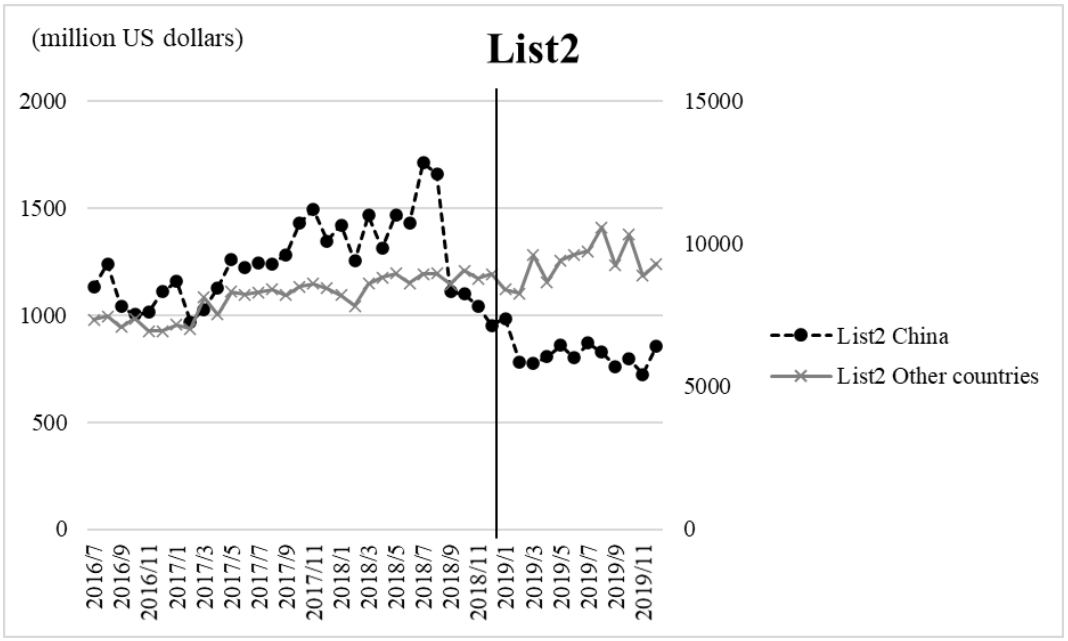
Source: Authors' computation from the US trade data

Figure 2: US import values of Trump List 1 goods from China and other countries



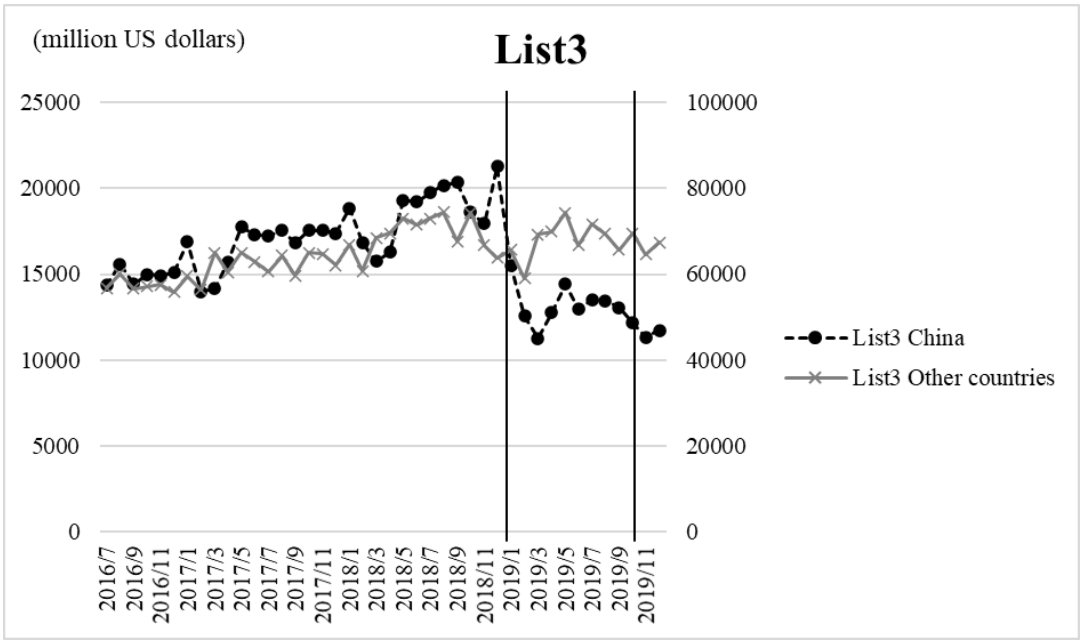
Source: Authors' computation from the US trade data

Figure 3: US import values of Trump List 2 goods from China and other countries



Source: Authors' computation from the US trade data

Figure 4: US import values of Trump List 3 goods from China and other countries



Source: Authors' computation from the US trade data

Table 1: Summary of Trump tariffs against China

	List 1	List 2	List 3
Date of the excecutive orders being effective	6th Jun., 2018	23rd Jul., 2018	1st: 24th Sep., 2018 2nd: 10th May., 2019
The purpose of the trade act	China's laws, politics, practices, or actions may be unreasonable or discriminatory and may be harming American intellectual property (IP) rights, innovation, or technology development.		
Relevant US domestic law	Section 301 of the Trade Act of 1974		
The number of targeted items*	818	279	5745
Ad valorem duties	25%	25%	1st: 10% 2nd: 25%
The characteristics of targeted items*	High value-added products (Industrial equipments)	Industrial products e.g., plastics, semiconductors, and railway parts	Consumer products e.g., home appliances, chemical products, and textile products

Note *: Targeted goods are defined at HS 8-digit. The total number of HS 8-digit goods is 11300.
Source: Author's elaboration from Office of the United States Trade Representative (USTR)'s official announcement. See the reference for the URL.

Table 2: Estimation results for Trump tariff effects on US import values

		(1)	(2)	(3)
Dependent variable: Log of US import value		List1	List2	List3
Trump list effective dummy		-0.479*** (0.02)	-0.435*** (0.03)	-0.121*** (0.01)
Fixed effects:	Time-Country	Yes	Yes	Yes
	Time-Goods	Yes	Yes	Yes
	Country-Goods	Yes	Yes	Yes
Adjusted R-squared		0.866	0.866	0.866
Number of observations		1,267,314	1,273,042	1,270,267

Robust standard errors in parentheses
note: + p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001

Table 3: Estimation results for Trump tariff effects on US import quantities

		(1)	(2)	(3)
Dependent variable: Log of US import quantity		List1	List2	List3
Trump list effective dummy		-0.493***	-0.550***	-0.149***
		(0.03)	(0.05)	(0.02)
Fixed effects:	Time-Country	Yes	Yes	Yes
	Time-Goods	Yes	Yes	Yes
	Country-Goods	Yes	Yes	Yes
Adjusted R-squared		0.888	0.886	0.885
Number of observations		1,035,806	1,064,261	1,071,268

Robust standard errors in parentheses

note: + p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001

Table 4: Estimation results for Trump tariff effects on US import unit values

		(1)	(2)	(3)
Dependent variable: Log of US unit value		List1	List2	List3
Trump list effective dummy		0.014	0.118**	0.007
		(0.04)	(0.04)	(0.02)
Fixed effects:	Time-Country	Yes	Yes	Yes
	Time-Goods	Yes	Yes	Yes
	Country-Goods	Yes	Yes	Yes
Adjusted R-squared		0.897	0.894	0.892
Number of observations		716,843	733,017	737,689

Robust standard errors in parentheses

note: + p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001

Table 5: Estimation results for trade deflection effects

Dependent variable:	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Log of import value				Log of import quantity				Log of import unit value	
	12 months	15 months	zero trade* (12 months)	zero trade* (15 months)	12 months	15 months	zero trade* (12 months)	zero trade* (15 months)	12 months	15 months
Trump list effective dummy for Mexico	0.039**	0.015	0.066***	0.090***	0.079***	0.029	-0.037	-0.013	-0.040*	-0.014
	(0.01)	(0.01)	(0.02)	(0.02)	(0.02)	(0.02)	(0.04)	(0.04)	(0.02)	(0.02)
Trump list effective dummy for Vietnam	0.080***	0.101***	0.119***	0.0725	0.077*	0.081***	-0.008	0.242***	0.004	0.020
	(0.02)	(0.02)	(0.04)	(0.05)	(0.03)	(0.03)	(0.07)	(0.09)	(0.02)	(0.02)
Trump list effective dummy for India	0.044**	0.021	0.244***	0.149***	0.073**	0.045**	0.283***	0.149**	-0.030	-0.024
	(0.02)	(0.01)	(0.04)	(0.05)	(0.02)	(0.02)	(0.05)	(0.07)	(0.02)	(0.02)
Trump list effective dummy for Canada	-0.010	0.023**	0.121***	0.137***	0.011	0.076***	-0.001	0.080	-0.022	-0.052***
	(0.01)	(0.01)	(0.02)	(0.03)	(0.02)	(0.02)	(0.05)	(0.06)	(0.02)	(0.01)
Trump list effective dummy for Japan	-0.017	-0.022*	0.102***	0.126***	0.036+	0.037**	-0.079**	-0.001	-0.053**	-0.059***
	(0.02)	(0.01)	(0.02)	(0.03)	(0.02)	(0.02)	(0.04)	(0.05)	(0.02)	(0.02)
Trump list effective dummy for Germany	-0.016	-0.004	0.160***	0.161***	0.065**	0.072***	-0.120*	0.191**	-0.081***	-0.075***
	(0.01)	(0.01)	(0.02)	(0.04)	(0.02)	(0.02)	(0.07)	(0.08)	(0.02)	(0.02)
Trump list effective dummy for Korea	0.009	-0.008	0.156***	0.260***	0.035	0.014	0.117**	0.337***	-0.026	-0.022
	(0.02)	(0.02)	(0.03)	(0.04)	(0.03)	(0.02)	(0.05)	(0.06)	(0.02)	(0.02)
Trump list effective dummy for UK	-0.033*	-0.016	0.129***	0.165***	0.047*	0.008	0.400**	0.231	-0.080***	-0.024
	(0.02)	(0.01)	(0.04)	(0.05)	(0.02)	(0.02)	(0.16)	(0.21)	(0.02)	(0.02)
Trump list effective dummy for Ireland	0.002	-0.009	-0.004	0.157	-0.146**	-0.063	0.252	-0.223**	0.148**	0.054
	(0.04)	(0.03)	(0.12)	(0.10)	(0.05)	(0.04)	(0.22)	(0.10)	(0.05)	(0.04)
Trump list effective dummy for Italy	-0.051***	-0.010	0.119***	0.0424	-0.007	0.011	-0.116*	0.0710	-0.045**	-0.021
	(0.01)	(0.01)	(0.04)	(0.05)	(0.02)	(0.02)	(0.07)	(0.09)	(0.02)	(0.02)
Fixed effects: Time-Country	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fixed effects: Time-Goods	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fixed effects: Country-Goods	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Adjusted R-squared	0.886	0.879	0.988	0.981	0.933	0.927	0.991	0.987	0.942	0.937
Number of observations	1,395,000	1,907,317	3,641,858	3,641,858	1,395,000	1,907,317	3,083,592	3,083,592	1,395,000	1,907,317

Robust standard errors in parentheses

Note: + p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001

* zero trade is the estimation by Poisson Pseudo Maximum Likelihood including zero trade.

Table 6: Change in exports of Trump listed goods by China and the other three major developing country US trade partner countries

HS 2-digits		Change in US's import values before and after Trump tariff effective date.*							Ratio of Trump target items**
Codes	Description	Imports from China	Imports from Canada	Imports from Germany	Imports from India	Imports from Japan	Imports from Mexico	Imports from Vietnam	
43	Furskins And Artificial Fur; Manufactures Thereof	-50.2%	-15.1%	24.9%	-25.8%	-98.5%	-97.5%	-91.2%	71.4%
51	Wool, Fine Or Coarse Animal Hair; Horsehair Yarn And Woven Fabric	-45.4%	-26.0%	-23.4%	6.4%	-14.8%	-13.7%	-93.7%	100.0%
5	Products Of Animal Origin, Not Elsewhere Specified Or Included	-40.9%	-6.1%	73.4%	5.8%	388.2%	15.2%	41.3%	66.7%
31	Fertilisers	-40.4%	2.1%	6.0%	3.6%	42.6%	70.8%	13.2%	96.0%
68	Articles Of Stone, Plaster, Cement, Asbestos, Mica Or Similar Materials	-39.7%	-9.1%	-2.4%	14.2%	7.2%	-2.9%	19.9%	98.4%
50	Silk	-36.6%	581.8%	-24.5%	-7.8%	0.8%	-10.2%	591.0%	100.0%
37	Photographic Or Cinematographic Goods	-34.9%	-46.2%	6.3%	8.0%	5.7%	-6.8%	-	94.9%
27	Mineral Fuels, Mineral Oils And Products Of Their Distillation; Bituminous Substances; Mineral Waxes	-30.9%	-13.0%	7.4%	-23.4%	-28.4%	-14.9%	-96.1%	80.8%
86	Railway Or Tramway Locomotives, Rolling Stock And Parts Thereof; Railway Or Tramway Track Fixtures And Fittings And Parts Thereof; Mechanical (Including Electromechanical) Traffic Signalling Equipment Of All Kinds	-30.5%	2.1%	11.1%	-50.3%	-46.1%	38.9%	10.8%	100.0%
22	Beverages, Spirits And Vinegar	-28.8%	9.8%	-9.6%	-9.1%	0.7%	-10.4%	-26.0%	22.7%
89	Ships, Boats And Floating Structures	-28.0%	-26.3%	-72.5%	-67.8%	5.3%	19.1%	44.3%	95.0%
25	Salt; Sulphur; Earths And Stone; Plastering Materials, Lime And Cement	-26.8%	-15.9%	-31.2%	2.3%	5.7%	0.9%	38.1%	81.0%
81	Other Base Metals; Cermets; Articles Thereof	-26.0%	23.3%	-0.4%	-20.3%	-13.4%	0.8%	306.1%	56.1%
41	Raw Hides And Skins (Other Than Furskins) And Leather	-25.8%	-40.5%	-2.5%	-11.6%	-47.9%	-18.6%	0.5%	70.0%
11	Products Of The Milling Industry; Malt; Starches; Inulin; Wheat Gluten	-25.0%	-4.2%	-0.4%	0.6%	-0.9%	12.9%	-38.9%	100.0%
4	Dairy Produce; Birds' Eggs; Natural Honey; Edible Products Of Animal Origin, Not Elsewhere Specified Or Included	-23.9%	11.8%	-3.6%	-33.9%	-10.3%	-35.8%	20.1%	10.0%
60	Knitted Or Crocheted Fabrics	-22.4%	4.1%	-12.6%	9.7%	-17.8%	9.0%	23.7%	85.9%
28	Inorganic Chemicals; Organic Or Inorganic Compounds Of Precious Metals, Of Rare-Earth Metals, Of Radioactive Elements Or Of Isotopes	-21.1%	-2.2%	-14.0%	-7.4%	49.9%	2.0%	-11.2%	84.6%
55	Man-Made Staple Fibres	-19.8%	10.6%	-7.7%	-11.6%	1.4%	-38.2%	26.7%	97.0%
84	Nuclear Reactors, Boilers, Machinery And Mechanical Appliances; Parts Thereof	-19.5%	-0.9%	-3.7%	5.8%	4.2%	-2.8%	15.8%	78.7%

Notes:

* "Change" is calculated as (import value in six months after the effective month / import value in six months before the effective month) -1.

** Proportion of the numbers of HS 8-digit Trump targeted products out of the total number of HS 8-digit goods in the relevant HS 2-digit category.

Table 7: Trump tariff target and import dependency on China

Dependent variable:	Trump list all	List1	List2	List3
China's trade share in US's	-0.676***	-1.157***	-0.494***	-0.306***
import value	(0.04)	(0.09)	(0.11)	(0.04)
Pseudo R-squared	0.018	0.037	0.009	0.004
Number of observations	10,620	10,620	10,620	10,620

Dependent variable:	Trump list all	List1	List2	List3
China's trade share in US's	-1.099***	-2.274***	-1.150***	-0.488***
import value	(0.07)	(0.19)	(0.26)	(0.07)
Pseudo R-squared	0.018	0.030	0.009	0.004
Number of observations	10,620	10,620	10,620	10,620

Robust standard errors in parentheses

note: + p < 0.1, * p < 0.05, ** p < 0.01, *** p < 0.001

We calculate China's trade share in US's import value aggregated by HS 8-digits monthly import value in 2017

Upper: probit model, Lower: logit model