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Latest in US-China Trade War: Thorough analysis on additional tariff by product

Beyond model analysis (China -0.17%, US -0.15%, and Japan -0.01%)

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Summary

- President Trump decided to levy additional tariffs on the equivalent of around 200 billion dollars in Chinese imports. Meanwhile, China has decided to implement retaliatory tariffs on the equivalent of approximately 60 billion dollars in American products. In this report we examine additional tariff rates per item and the total amounts in tariffs associated with tariff policies which have already been publicly announced (US 50 bil dlrs + 200 bil dlrs, and China 50 bil dlrs + 60 bil dlrs).
- According to our analysis, US tariffs on Chinese products effect a total of 235.3 billion dollars in imported items. Tariffs totaled 30.5 billion dollars in 2018, and are expected to reach a total of 58.8 billion dollars in 2019. The average additional tariff rate imposed per product was 13.0% in 2018, and is expected to reach 25.0% by 2019. As for types of products affected, the greatest weight goes to various types of machinery and electronic devices. On the other hand, Chinese tariffs imposed on US products total 115.8 billion dollars in imported items. The total amount in tariffs is 17.5 billion dollars with the average tariff rate per item at 15.1%. As for types of products affected, the greatest weight goes to automobiles, soy beans, machinery of various kinds, electrical generators, and control devices as well as other electrical devices.
- We have taken into consideration changing assumptions as this situation develops, and using the DIR macro model, have re-estimated the effects of tariffs on the Japanese, Chinese, and US economies. Looking at the results of our estimate of economic effects assuming the US freezes its additional tariff rate on 200 billion dollars at 10%, we see that the negative effect on GDP would be as follows: China -0.17%, US -0.15%, and Japan -0.01%. Meanwhile, if the US raises its additional tariff rate to 25%, negative effects are estimated to be as follows: China -0.22%, US -0.28%, and Japan -0.02%.
- It should be kept in mind, however, that these are merely estimated values according to our computation model. The model cannot illustrate the ripple effects when a particular item or a particular industry is especially severely affected by tariffs. According to OECD estimates, as of the year 2011, Japan provided value-added input on a total of as much as 24 billion dollars' worth of items ultimately exported from China to the US. Of this, 15.2 billion dollars were accounted for by items associated with computers and electronic parts. As for this industry in particular, the situation does not allow for much optimism.

On September 17, President Trump decided to levy additional tariffs on the equivalent of around 200 billion dollars in Chinese imports. The tariff rate was set at 10% within the year 2018, with the intension of raising it to 25% in 2019. This most recent 25% tariff decision to be imposed on the equivalent of 50 billion dollars in imported products is to be added to existing ones, so that the number of items effected by tariffs and the total amount taxed has ballooned,

Meanwhile, China has decided to implement retaliatory tariffs on the equivalent of approximately 60 billion dollars in American products. (Both of these policy decisions are to go into effect as of September 24.) However, tariffs that were previously announced were cut from 10-25% to 5-10%. One possible reason for the change is that China may be rethinking its strategy in relation to the US. Retaliatory tariffs as a countermeasure may have a certain validity from the viewpoint of China's domestic politics since it maintains China's authority. However, when we compare amounts in imports and exports between the US and China, it becomes clear that China is the one that loses the most from this tit for tat in imposing tariffs. The other day, President Trump threatened that if China imposes retaliatory tariffs on US products, the US will place tariffs on virtually all Chinese products. China may be keeping countermeasures to the minimum, and setting tariff rates to a level that avoids provoking the US.

US-China trade war: Detailed list of tariff rates and tariff amounts by product

The status of US-China trade friction is highly fluid. Meanwhile, trade negotiations between the US and Japan, the EU, and Canada, have yet to reach a conclusion. Therefore the situation is unpredictable. In this report we examine tariff rates per item and the total amounts in tariffs associated with tariff policies which have already been publicly announced (US 50 bil dlrs + 200 bil dlrs, and China 50 bil dlrs + 60 bil dlrs).

Chart 1 provides import value, additional tariff amount, and additional tariff rate per item, with reference to publicized lists of products¹ on which tariffs are imposed. The additional tariff rates according to this estimate, in cases where a more detailed product category was used in calculating total tariff amount, were calculated using the weighted average of import value per product.

First of all, US tariffs on Chinese goods total 235.3 billion dollars in imports of taxed items. The total amount in tariffs was 30.5 billion dollars in 2018, and is to be raised to 58.8 billion dollars in 2019. The average additional tariff rate on items subject to tariffs in 2018 was 13.0%, to be raised to 25.0% in 2019. Looking at the breakdown we can see that electronic devices and machinery of various kinds are subject to the largest total tariff amounts.

¹ Items on which tariffs are imposed, and tariff rates per item are based on the following sources.

US (34 bil dlrs) :

<https://ustr.gov/sites/default/files/enforcement/301Investigations/List%201.pdf>

US (16 bil dlrs)

<https://ustr.gov/sites/default/files/enforcement/301Investigations/List%202.pdf>

US (200 bil dlrs)

https://ustr.gov/sites/default/files/enforcement/301Investigations/Tariff%20List_09.17.18.pdf

China (34 bil dlrs)

<http://images.mofcom.gov.cn/www/201806/20180616015345014.pdf>

China (16 bil dlrs)

<http://images.mofcom.gov.cn/www/201806/20180616015405568.pdf>

China (60 bil dlrs)

http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201808/t20180803_2980950.html

http://gss.mof.gov.cn/zhengwuxinxi/zhengcefabu/201809/t20180918_3022592.html

Detailed List of Tariff Rates and Amounts by Product in Association with US-China Trade War Chart 1

HS 2-Digits	Product Name	US Tariffs on Chinese Goods				Chinese Tariffs on US Goods			
		Amount in Imports from China (subject items, mil.dtrs)	Amount in Additional Tariffs (mil.dtrs) 2018	2019	Additional Tariff Rate (%) 2018	2019	Amount in Imports from US (subject items, mil.dtrs)	Amount in Additional Tariffs (mil.dtrs)	Additional Tariff Rate (%)
01	Live Animals	0	0	0	0.0	5	0	5.1	
02	Meat And Edible Meat Offal	16	2	4	10.0	1,187	297	25.0	
03	Fish, Crustaceans & Aquatic Invertebrates	1,605	161	401	10.0	1,315	329	25.0	
04	Dairy Prods; Birds Eggs; Honey; Ed Animal Pr Nesoi	12	1	3	10.0	428	107	24.9	
05	Products Of Animal Origin, Nesoi	170	17	42	10.0	166	27	16.1	
06	Live Trees, Plants, Bulbs Etc.; Cut Flowers Etc.	0	0	0	0.0	4	0	10.0	
07	Edible Vegetables & Certain Roots & Tubers	445	45	111	10.0	45	7	16.6	
08	Edible Fruit & Nuts; Citrus Fruit Or Melon Peel	88	9	22	10.0	766	191	24.9	
09	Coffee, Tea, Mate & Spices	0	0	0	0.0	18	2	10.0	
10	Cereals	11	1	3	10.0	1,507	377	25.0	
11	Milling Products; Malt; Starch; Inulin; Wht Gluten	47	5	12	10.0	24	1	6.2	
12	Oil Seeds Etc.; Misc Grain, Seed, Fruit, Plant Etc	264	26	66	10.0	14,431	3,591	24.9	
13	Lac; Gums, Resins & Other Vegetable Sap & Extract	0	0	0	0.0	21	2	9.1	
14	Vegetable Plating Materials & Products Nesoi	26	3	7	10.0	9	2	24.1	
15	Animal Or Vegetable Fats, Oils Etc. & Waxes	13	1	3	10.0	139	14	9.9	
16	Edible Preparations Of Meat, Fish, Crustaceans Etc	736	74	14	10.0	5	1	24.7	
17	Sugars And Sugar Confectionary	136	14	34	10.0	79	5	6.1	
18	Cocoa And Cocoa Preparations	0	0	0	0.0	29	3	9.5	
19	Prep Cereal, Flour, Starch Or Milk; Bakers Wares	181	18	45	10.0	120	10	8.5	
20	Prep Vegetables, Fruit, Nuts Or Other Plant Parts	1,138	114	285	10.0	272	26	9.4	
21	Miscellaneous Edible Preparations	115	12	29	10.0	442	33	7.6	
22	Beverages, Spirits And Vinegar	40	4	10	10.0	138	15	10.8	
23	Food Industry Residues & Waste; Prep Animal Feed	273	27	68	10.0	522	53	10.2	
24	Tobacco And Manufactured Tobacco Substitutes	30	3	8	10.0	170	43	25.0	
25	Salt; Sulfur; Earth & Stone; Lime & Cement Plaster	170	17	42	10.0	321	22	6.9	
26	Ores, Slag And Ash	19	2	5	10.0	1,513	131	8.7	
27	Mineral Fuel, Oil Etc.; Bitumin Subst; Mineral Wax	530	53	132	10.0	7,279	1,724	23.7	
28	Inorg Chem; Prec & Rare-earth Met & Radioact Compd	895	90	224	10.1	900	58	6.4	
29	Organic Chemicals	3,119	312	780	10.0	3,198	264	8.3	
30	Pharmaceutical Products	0	0	0	0.0	211	12	5.5	
31	Fertilizers	172	17	43	10.0	56	3	5.8	
32	Tanning & Dye Ext Etc; Dye, Paint, Putty Etc; Inks	518	52	129	10.0	501	38	7.6	
33	Essential Oils Etc; Perfumery, Cosmetic Etc Preps	1,335	134	334	10.0	896	85	9.5	
34	Soap Etc; Waxes; Polish Etc; Candles; Dental Preps	233	24	58	10.3	878	137	15.6	
35	Albuminoidal Subst; Modified Starch; Glue; Enzymes	256	26	64	10.0	711	80	11.3	
36	Explosives; Pyrotechnics; Matches; Pyro Alloys Etc	4	0	1	10.0	58	3	5.0	
37	Photographic Or Cinematographic Goods	38	4	9	10.0	461	43	9.2	
38	Miscellaneous Chemical Products	996	101	249	10.1	4,052	687	16.9	
39	Plastics And Articles Thereof	7,806	1,106	1,951	14.2	8,530	1,381	16.2	
40	Rubber And Articles Thereof	3,181	318	795	10.0	1,327	114	8.6	
41	Raw Hides And Skins (no Furskins) And Leather	28	3	7	10.0	1,199	63	5.2	
42	Leather Art; Saddlery Etc; Handbags Etc; Gut Art	7,339	734	1,835	10.0	18	2	10.0	
43	Furskins And Artificial Fur; Manufactures Thereof	77	8	19	10.0	41	4	9.6	
44	Wood And Articles Of Wood; Wood Charcoal	3,133	313	783	10.0	3,069	276	9.0	
45	Cork And Articles Of Cork	26	3	6	10.0	0	0	10.0	
46	Mfr Of Straw, Esparto Etc.; Basketwre & Wickerwrk	307	31	77	10.0	0	0	10.0	
47	Wood Pulp Etc; Recowd (waste & Scrap) ppr & pprbd	8	1	2	10.0	1,655	83	5.0	
48	Paper & Paperboard & Articles (inc Paper Pulp Artl)	2,983	298	746	10.0	868	57	6.5	
49	Printed Books, Newspapers Etc; Manuscripts Etc	0	0	0	0.0	503	32	6.4	
50	Silk, Including Yarns And Woven Fabric Thereof	22	2	5	10.0	25	0	10.0	
51	Wool & Animal Hair, Including Yarn & Woven Fabric	22	2	5	10.0	17	2	10.0	
52	Cotton, Including Yarn And Woven Fabric Thereof	199	20	50	10.0	1,072	254	23.7	
53	Veg Text Fib Nesoi; Veg Fib & Paper Yns & Wov Fab	36	4	9	10.0	0	0	10.0	
54	Manmade Filaments, Including Yarns & Woven Fabrics	499	50	125	10.0	132	10	7.4	
55	Manmade Staple Fibers, Incl Yarns & Woven Fabrics	345	34	86	10.0	202	14	6.7	
56	Wadding, Felt Etc; Sp Yarn; Twine, Ropes Etc.	608	61	152	10.0	181	11	6.0	
57	Carpets And Other Textile Floor Coverings	608	61	152	10.0	21	1	5.6	
58	Spec Wov Fabrics; Tufted Fab; Lace; Tapestries Etc	212	21	53	10.0	21	2	9.4	
59	Impregnated Etc Text Fabrics; Text Art For Industry	514	51	129	10.0	119	9	7.6	
60	Knitted Or Crocheted Fabrics	384	38	96	10.0	13	1	10.0	
61	Apparel Articles And Accessories, Knit Or Crochet	0	0	0	0.0	9	1	9.9	
62	Apparel Articles And Accessories, Not Knit Etc	0	0	0	0.0	18	2	10.0	
63	Textile Art Nesoi; Needlecraft Sets; Worn Text Art	0	0	0	0.0	32	3	7.9	
64	Footwear; Gaiters Etc; And Parts Thereof	0	0	0	0.0	102	8	7.8	
65	Headgear And Parts Thereof	1,237	124	309	10.0	5	0	7.3	
66	Umbrellas, Walking-sticks, Riding-crops Etc, Parts	0	0	0	0.0	0	0	7.3	
67	Prep Feathers, Down Etc; Artif Flowers; H Hair Art	19	2	5	10.0	10	1	5.8	
68	Art Of Stone, Plaster, Cement, Asbestos, Mica Etc.	1,945	195	486	10.0	255	17	6.8	
69	Ceramic Products	661	66	165	10.0	125	7	6.0	
70	Glass And Glassware	2,340	237	585	10.1	872	49	5.6	
71	Nat Etc Pearls, Prec Etc Stones, Pr Met Etc; Coin	128	13	32	10.0	5,306	521	9.8	
72	Iron And Steel	71	7	18	10.0	306	23	7.7	
73	Articles Of Iron Or Steel	8,576	990	2,144	11.5	1,173	75	6.4	
74	Copper And Articles Thereof	520	52	130	10.0	264	24	9.0	
75	Nickel And Articles Thereof	53	5	13	10.0	302	18	5.9	
76	Aluminum And Articles Thereof	809	82	202	10.2	367	25	6.7	
77	(Unused Number)								
78	Lead And Articles Thereof	4	0	1	10.0	3	0	5.4	
79	Zinc And Articles Thereof	71	7	18	10.0	20	1	6.0	
80	Tin And Articles Thereof	18	2	5	10.0	3	0	9.0	
81	Base Metals Nesoi; Cermets; Articles Thereof	168	17	42	10.0	279	20	7.1	
82	Tools, Cutlery Etc. Of Base Metal & Parts Thereof	2,924	292	731	10.0	272	21	7.7	
83	Miscellaneous Articles Of Base Metal	3,290	329	822	10.0	170	12	6.8	
84	Nuclear Reactors, Boilers, Machinery Etc.; Parts	55,542	8,235	13,886	14.8	9,796	755	7.7	
85	Electric Machinery Etc; Sound Equip; Tv Equip; Pts	65,511	9,119	16,378	13.9	7,177	613	8.5	
86	Railway Or Tramway Stock Etc; Traffic Signal Equip	546	137	137	25.0	38	3	7.7	
87	Vehicles, Except Railway Or Tramway, And Parts Etc	13,798	1,704	3,450	12.4	14,724	3,509	23.8	
88	Aircraft, Spacecraft, And Parts Thereof	509	127	127	25.0	229	11	5.0	
89	Ships, Boats And Floating Structures	134	15	34	11.4	26	2	7.2	
90	Optic, Photo Etc, Medic Or Surgical Instrmnts Etc	6,058	1,364	1,515	22.5	11,432	953	8.3	
91	Clocks And Watches And Parts Thereof	64	6	16	10.0	3	0	8.1	
92	Musical Instruments; Parts And Accessories Thereof	0	0	0	0.0	24	2	7.0	
93	Arms And Ammunition; Parts And Accessories Thereof	0	0	0	0.0	1	0	5.1	
94	Furniture; Bedding Etc; Lamps Nesoi Etc; Prefab Bd	28,278	2,828	7,070	10.0	272	19	7.1	
95	Toys, Games & Sport Equipment; Parts & Accessories	0	0	0	0.0	170	9	5.5	
96	Miscellaneous Manufactured Articles	34	3	8	10.0	95	6	6.7	
97	Works Of Art, Collectors' Pieces And Antiques	0	0	0	0.0	11	1	6.5	
	Total	235,277	30,484	58,819	13.0	25.0	115,757	17,450	15.1

Source: Bureau of the Census, USTR, Ministry of Commerce of the People's Republic of China, UN Comtrade; compiled by DIR.

Notes: 1) US: Calculations based on assumption that current tariffs on 50 bil dlrs in imported goods are raised up to an additional 25%, with 10% in additional tariffs planned on 200 bil dlrs worth of imported goods within the year 2018, and additional tariffs of 25% planned in 2019.

China: Calculations based on assumption that current tariffs on 50 bil dlrs in imported goods are raised up to an additional 25%, with 7.4% in additional tariffs planned on 60 bil dlrs worth of imported goods.

2) Since there are limits to how finely categories can be broken down, total amounts in additional tariffs may not conform completely to the value that was made public.

3) The term "Nesoi" sometimes appearing in the product name column means "Not Elsewhere Specified Or Included."

Looking at the effects of amounts in additional tariffs by product, we first look at previously implemented policy, in which a 25% tariff was imposed on approximately 50 billion dollars in imported goods. In this case most of the weight fell on machinery and devices, especially storage devices and media such as magnetic disks, as well as electronic parts such as semiconductors and integrated circuits.

As for the additional tariffs imposed on 200 billion dollars in imported goods (to go into effect as of September 24), weight fell especially on electronic devices and their parts such as storage devices and parts, as well as mobile phones. Items which were made exceptions after public comment included pharmaceutical products and plastic molding, which registered the largest amounts. Other items, including consumer electronics such as smart watches, textiles, and agricultural products, were removed from the list.

Meanwhile, Chinese tariffs imposed on goods imported from the US covered a total of 115.8 billion dollars in imported products, with tariffs totaling 17.5 billion dollars, and the average tariff rate per item at 15.1%. Then recently additional tariffs of 25% were implemented on 50 billion dollars in imported goods, with the largest amounts in tariffs placed on automobiles and soy beans. In addition, an announcement was made on September 18 that additional tariffs of 5-10% (or an average of around 7%) would be imposed on imported goods worth approximately 60 billion dollars. In this case, most of the weight fell on machinery and power generators, as well as electrical devices such as controllers.

Economic effects; beyond model analysis

As was explained previously, we have taken into consideration changing assumptions as this situation develops, and using the DIR macro model, have re-estimated the effects of tariffs on the Japanese, Chinese, and US economies². Chart 2 (with details in Chart 3) presents our estimate of economic effects assuming the US freezes its additional tariff rate on 200 billion dollars in goods imported from China at 10%. Meanwhile, Chart 4 (details in Chart 5) estimates economic effects assuming the tariff rate is raised to 25%.

Looking at the results of our estimate of economic effects assuming the US freezes its additional tariff rate at 10% (in this case the government does not use the increase in revenues to increase public spending), we see that the negative effect on GDP would be as follows: China -0.17%, US -0.15%, and Japan -0.01%. (If the government does use the increase in revenues to increase public spending, the negative effects would be less, with China at -0.01%, and the US & Japan both at -0.00%.)

Meanwhile, if the US raises its additional tariff rate to 25%, negative effects are estimated to be as follows (with no increase in government spending as a result of growth in revenue): downward pressure on GDP would be as follows: China -0.22%, US -0.28%, and Japan -0.02%. (If the government does use the increase in revenues to increase public spending, the negative effects would be less, with China at -0.05%, US +0.00%, and Japan -0.00%.)

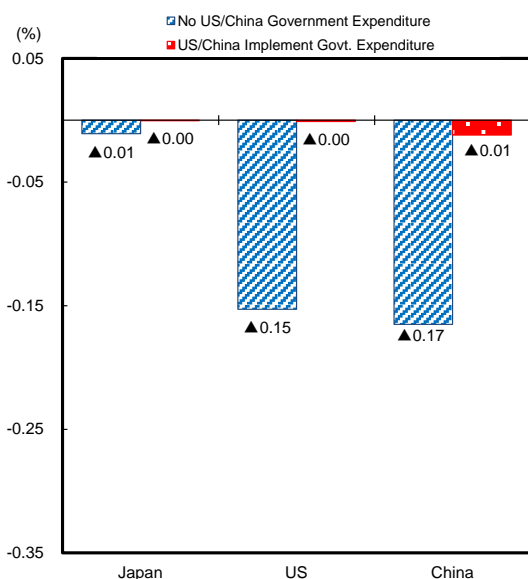
It should be kept in mind, however, that these are merely estimated values according to our computation model. The model has just one weakness. It cannot illustrate the ripple effects when a particular item or a particular industry is especially severely affected by tariffs.

The one major risk to Japan's economy due to the US-China trade war is related to Chinese exports of electronic devices to the US. In order to produce these items, China has to import components and capital goods from Japan, and the danger is that import value in this area could suffer serious declines.

² For details see the DIR Report dated 26 June 2018, *Japan's Economy: Monthly Outlook (June 2018): 1. US-China tariff battle moves into extra innings: how will Japan's economy and corporate earnings fare?*, 2. *Underestimation rhetoric surrounding effects of consumption tax hike: arguments summarized*, 3. *Revised economic outlook: +1.0% in FY2018, +0.8% in FY2019*, by Shunsuke Kobayashi and Yota Hirono.

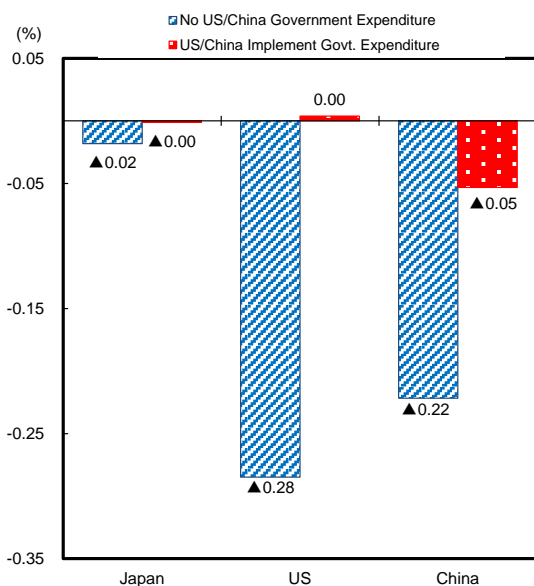
According to OECD estimates, as of the year 2011, Japan provided value-added input on a total of over 24 billion dollars' worth of items ultimately exported from China to the US. Of this, 15.2 billion dollars were accounted for by items associated with computers and electronic parts. Meanwhile, the total amount exported from China to the US has grown considerably since that time. Hence related industries in Japan could suffer from secondary effects from the US-China trade war which would be much larger than they would have in 2011. As for this industry in particular, the situation does not allow for much optimism.

Estimated Effects of Tariffs (Summary)
Chart 2



Source: Estimates produced using the DIR macro model.
Note: All figures are real. Rate of deviation from actual value.

Estimated Effects of Tariffs (Summary)
Chart 4



Source: Estimates produced using the DIR macro model.

Effects of Tariffs on Japan, US, and China Economies
(Detailed Version)
Chart 3

Effects on Chinese Economy		Real GDP	Personal Consumption	Capex	Government Expenditure	Exports	Imports
No US/China Govt. Expenditure	Deviation Rate	▲0.17	▲0.34	▲0.06	0.00	▲0.30	▲0.32
	Contribution Rate		▲0.13	▲0.03	0.00	▲0.06	0.06
US/China Implement Govt. Expenditure	Deviation Rate	▲0.01	▲0.34	▲0.00	0.93	▲0.22	▲0.20
	Contribution Rate		▲0.13	▲0.00	0.13	▲0.04	0.03
Effects on US Economy		Real GDP	Personal Consumption	Capex	Government Expenditure	Exports	Imports
No US/China Govt. Expenditure	Deviation Rate	▲0.15	▲0.26	▲0.20	0.00	▲0.09	▲0.47
	Contribution Rate		▲0.18	▲0.03	0.00	▲0.01	0.08
US/China Implement Govt. Expenditure	Deviation Rate	▲0.00	▲0.26	▲0.00	1.08	▲0.07	▲0.05
	Contribution Rate		▲0.18	▲0.00	0.18	▲0.01	0.01
Effects on Japan's Economy		Real GDP	Personal Consumption	Housing Investment	Capex	Exports	Imports
No US/China Govt. Expenditure	Deviation Rate	▲0.01	▲0.00	▲0.00	▲0.08	▲0.12	▲0.11
	Contribution Rate		▲0.00	▲0.00	▲0.01	▲0.02	0.02
US/China Implement Govt. Expenditure	Deviation Rate	▲0.00	▲0.00	▲0.00	▲0.00	▲0.00	▲0.00
	Contribution Rate		▲0.00	▲0.00	▲0.00	▲0.00	0.00

Source: Estimates produced using the DIR macro model.

Notes: Estimated effects assuming US imposes tariff of 25% on 50 billion dollars' worth of Chinese imports, and 10% on 200 billion dollars' worth. Then China imposes tariff of 25% on 50 billion dollars' worth of imports from the US, and 7.4% on \$60 billion worth.

Effects of Tariffs on Japan, US, and China Economies
(Detailed Version)
Chart 5

Effects on Chinese Economy		Real GDP	Personal Consumption	Capex	Government Expenditure	Exports	Imports
No US/China Govt. Expenditure	Deviation Rate	▲0.22	▲0.34	▲0.08	0.00	▲0.57	▲0.36
	Contribution Rate		▲0.13	▲0.03	0.00	▲0.12	0.06
US/China Implement Govt. Expenditure	Deviation Rate	▲0.05	▲0.34	▲0.02	0.93	▲0.41	▲0.24
	Contribution Rate		▲0.13	▲0.01	0.13	▲0.09	0.04
Effects on US Economy		Real GDP	Personal Consumption	Capex	Government Expenditure	Exports	Imports
No US/China Govt. Expenditure	Deviation Rate	▲0.28	▲0.50	▲0.38	0.00	▲0.10	▲0.87
	Contribution Rate		▲0.35	▲0.06	0.00	▲0.01	0.14
US/China Implement Govt. Expenditure	Deviation Rate	0.00	▲0.50	0.01	2.07	▲0.08	▲0.08
	Contribution Rate		▲0.35	0.00	0.35	▲0.01	0.01
Effects on Japan's Economy		Real GDP	Personal Consumption	Housing Investment	Capex	Exports	Imports
No US/China Govt. Expenditure	Deviation Rate	▲0.02	▲0.01	▲0.00	▲0.13	▲0.19	▲0.18
	Contribution Rate		▲0.00	▲0.00	▲0.02	▲0.03	0.03
US/China Implement Govt. Expenditure	Deviation Rate	▲0.00	▲0.00	▲0.00	▲0.01	▲0.01	▲0.01
	Contribution Rate		▲0.00	▲0.00	▲0.00	▲0.00	0.00

Source: Estimates produced using the DIR macro model.

Note: Estimated effects assuming US imposes tariff of 25% on 250 billion dollars' worth of Chinese imports, and China imposes tariff of 25% on 50 billion dollars' worth of imports from the US, and 7.4% on \$60 billion worth.