

Macro Roundup Article

Headline: [Decoupling Where it Matters? US Imports from China in Critical Sectors](#)

Article Link: <https://research.stlouisfed.org/publications/economic-synopses/2024/01/19/decoupling-where-it-matters-us-imports-from-china-in-critical-sectors>

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Publication	Federal Reserve Bank of St. Louis
Publication Date	February 16, 2024

Tweet: The share of US imports directly originating in China is down 7.7pp since 2017 led by a 9pp drop in goods rated "non-critical" by the Dept. of Homeland Security. The "critical goods" share is down by 6.8pp.

Summary: Figure 2 partitions aggregate US import dependence from China across critical and non-critical sectors, based on a classification by the Department of Homeland Security's Cybersecurity and Infrastructure Agency. Over this period, we find that China has been an important source of imports of non-critical goods, while a more modest yet non-trivial source of critical goods. Moreover, we find that US-China import dependence in critical sectors increased in tandem with aggregate import dependence—from 6.2% of critical goods imports in 2002 to 17.9% in 2017. However, the systematic decline of total US imports from China has been faster in non-critical goods: The import share from China declined by around 9 percentage points for non-critical goods, while among critical goods it declined by 6.8 percentage points—from 17.9% in 2017 to 11.1% in 2023.

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Primary Topic: China

Topics: China, GDP, Op-Ed/Blog Post, Trade (not deficits)

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