

Tariffs Between the US and China and the Impacts on EU Exports

Sawyer McFarland, Logan Faulk, Arya R

Hypothesis

We hypothesize that imposing US tariffs on Chinese goods in 2019 reduced demand for Chinese products. Due to this reduced demand, there was an increase in demand for European Union exports of the same products to the United States.

Theory

Our Theory is that due to tariffs put in place in 2019 against Chinese exports to the United States, European Union exports to the United States --of the same products-- will increase due to the increase in price for Chinese Exports from tariffs.

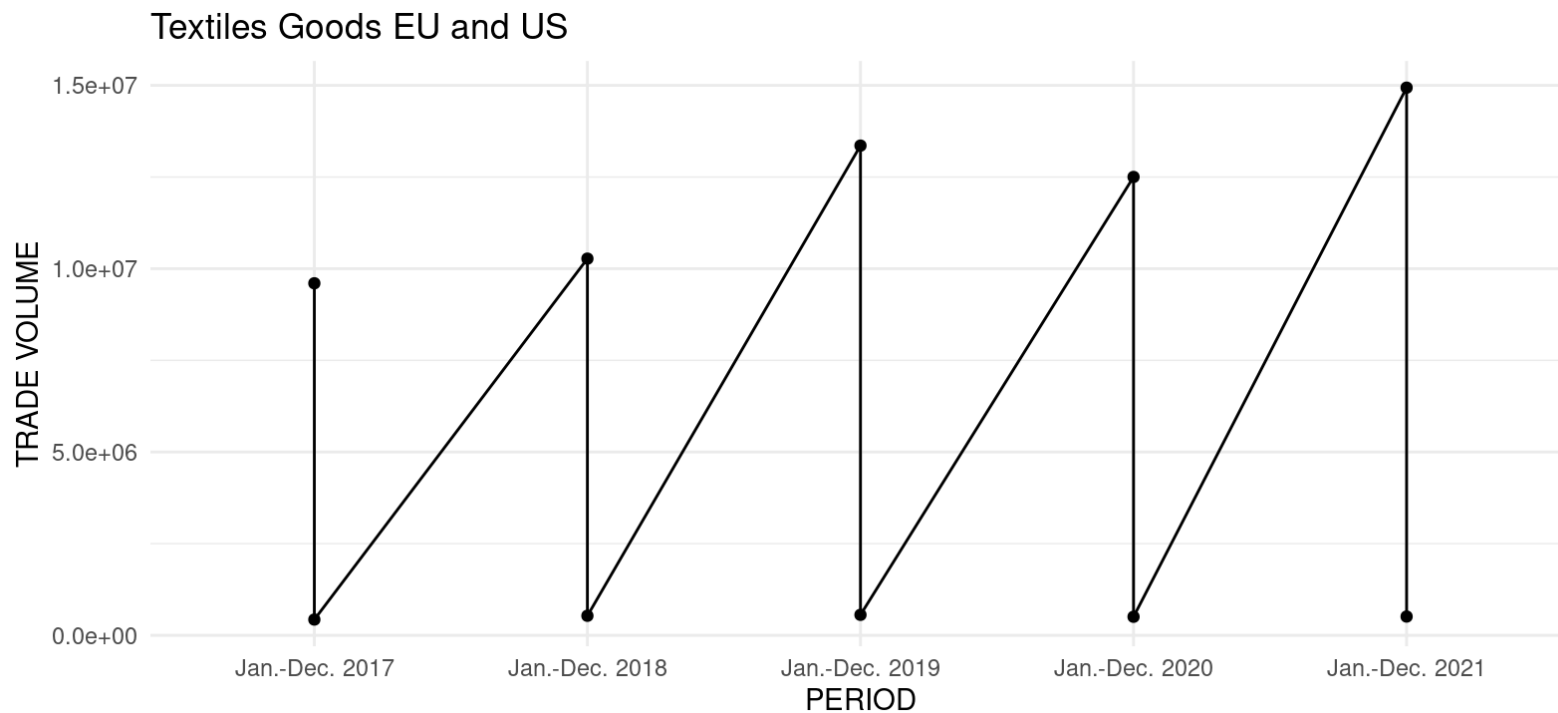
Testing Hypothesis

To test our hypothesis, we are using US tariff changes as our independent variable, looking at exported products in terms of US dollars between China and the US before and after tariffs in comparison to EU exports of the same products in US dollars to the United States before and after the tariffs are implemented as our dependent variables.

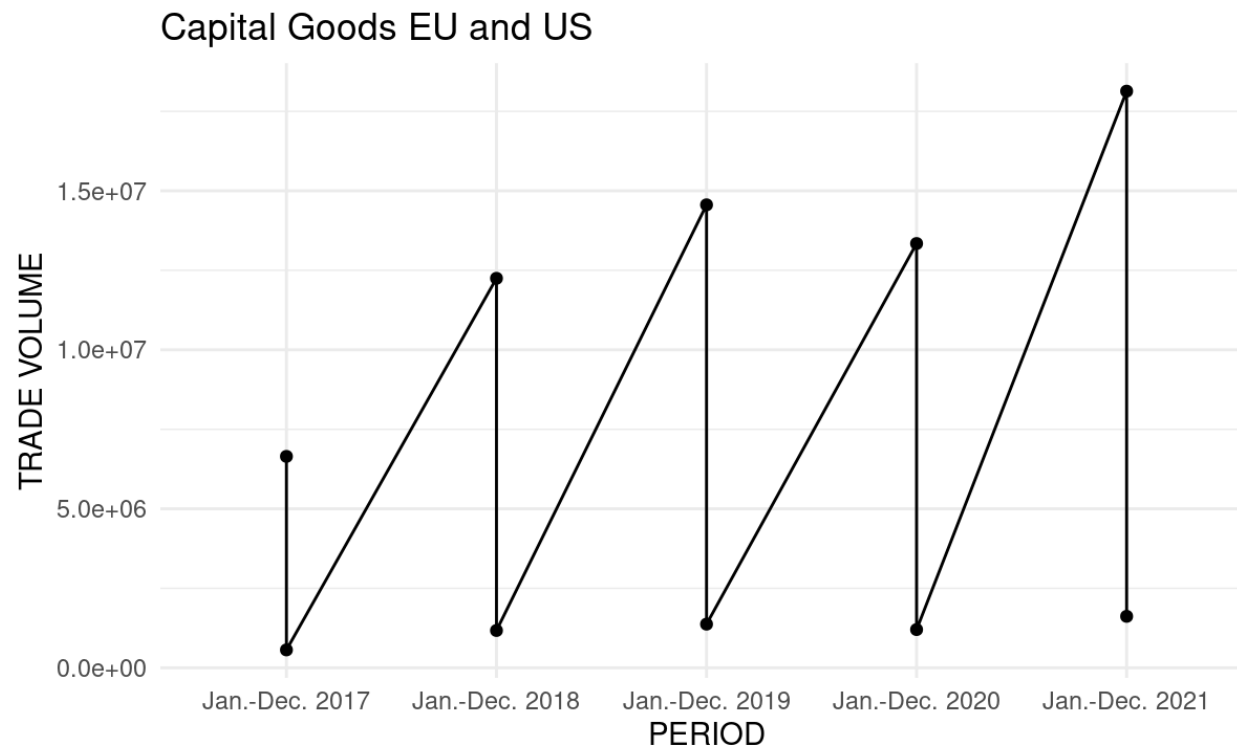
Analysis on EU-US Product Exports Data

- We first looked at the EU-US data set we had and graphed 3 exported product bases, Textiles, Capital Goods, and Food.
- In the following graphs you will notice a steady but slow incline in Trade volume in all three product bases after tariffs were put in place in 2019.

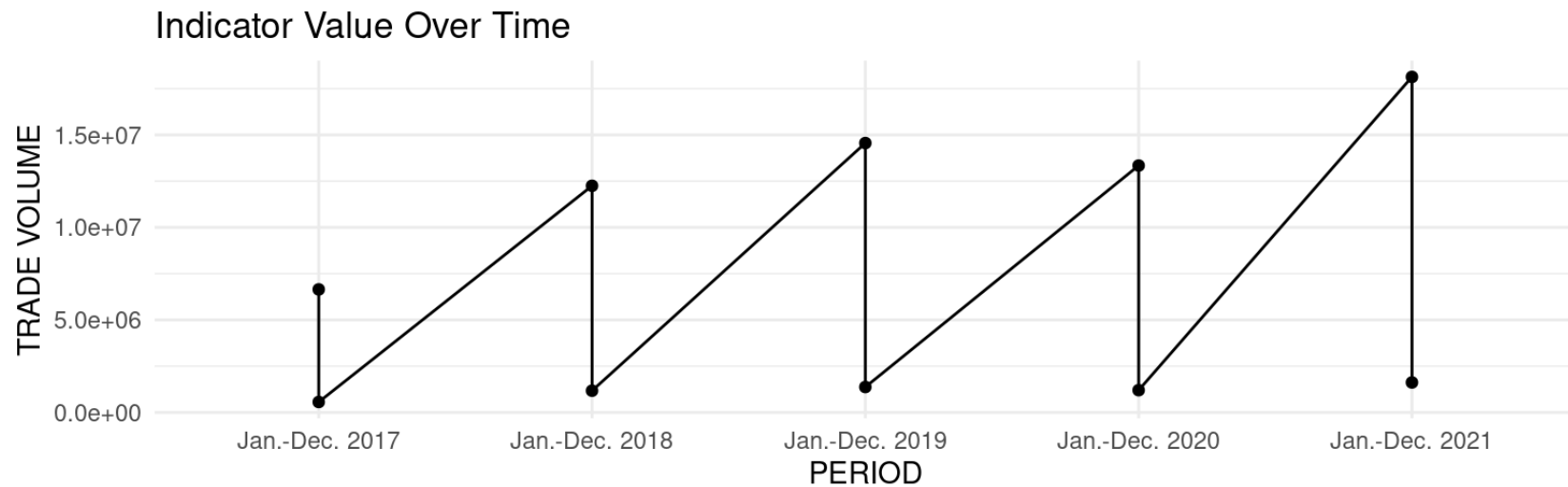
EU Textile Exports to US before tariffs(2017), When tariffs were placed on Chinese products (2019), and since.



EU Capital Goods Exports to US before tariffs(2017), when tariffs were placed on Chinese products (2019), and since.



EU Food Exports to US before tariffs(2017), when tariffs were placed on Chinese products (2019), and since.



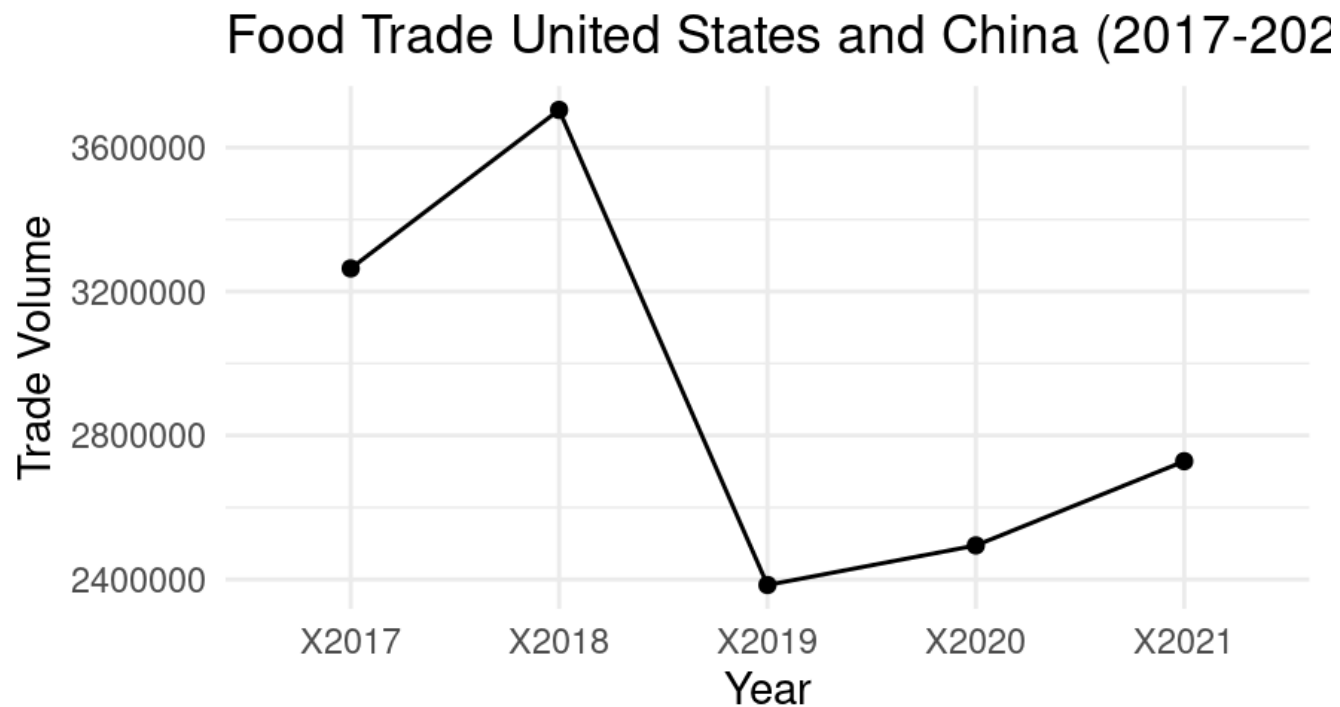
Analysis on EU-US Product Exports Data

- This is concurrent with our hypothesis that EU exports the US will increase after the US tariffs on Chinese goods in 2019 leading to consumers shifting to purchase EU products.

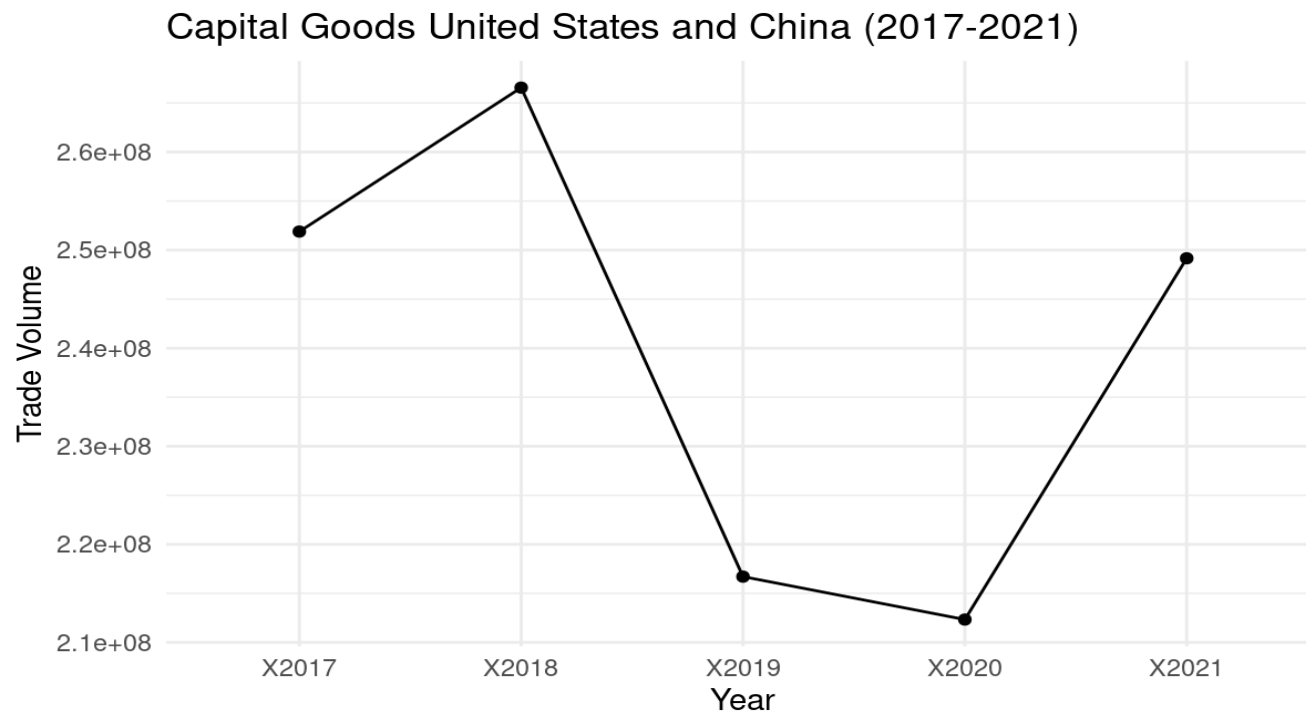
Analysis on China-US product Exports Data

- We then looked at Chinese exports to US data and graphed the same 3 exported product bases, Textiles, Capital Goods, and Food.
- In the following graphs you will observe in the 3 China-US graphs is a steep decline in trade volume after the tariff is implemented, then a slope upwards in recovery.

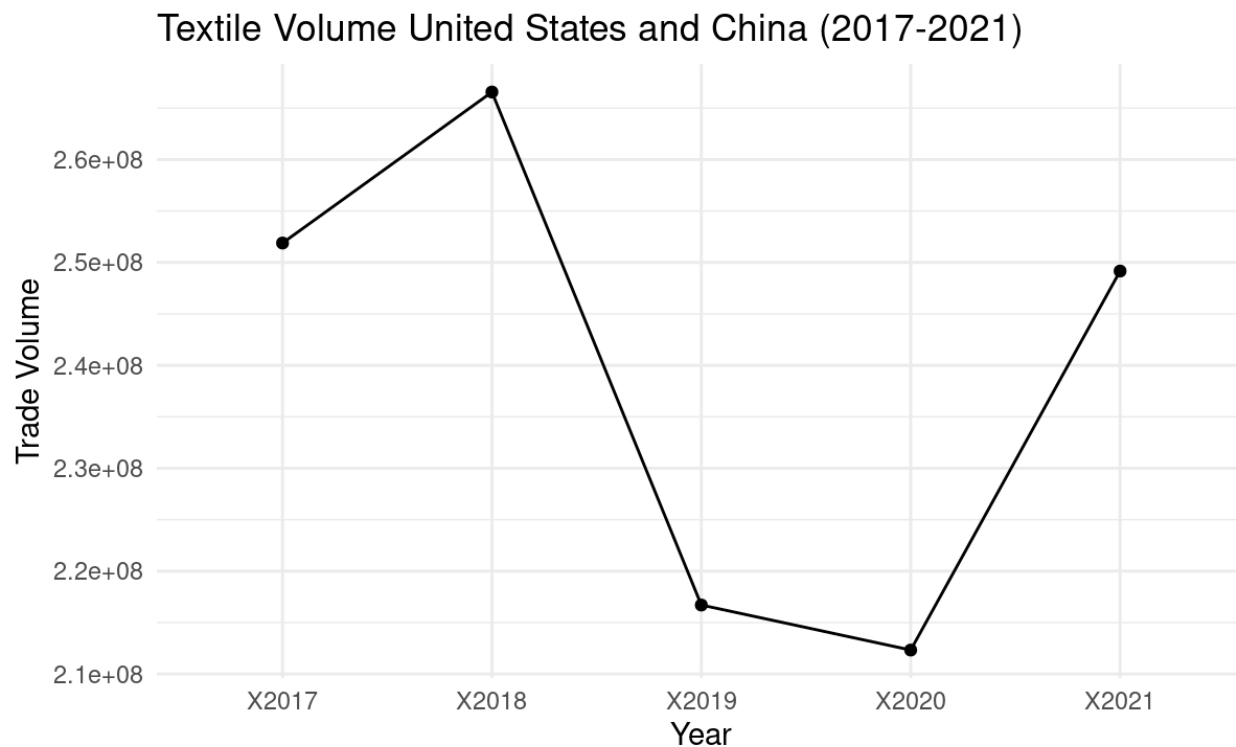
Chinese Food Exports to US before tariffs(2017), when tariffs were placed on Chinese products (2019), and since.



Chinese Capital Goods Exports to US before tariffs(2017), when tariffs were placed on Chinese products (2019), and since.



Chinese Textile Exports to US before tariffs(2017), When tariffs were placed on Chinese products (2019), and since.



Analysis on China-US product Exports Data

- This is also concurrent with our hypothesis as it shows that tariffs on Chinese exported products in 2019 caused consumers to shift to EU products --therefore the trade volume does not reach its initial position in 2018.

Our analysis illustrates our hypothesis to Be correct.

- Examining trade data on food, capital goods, and textiles- these sectors represent major components of global trade between the United States and the rest of the world.
- The post-2018 decrease in trade shows tariff implementation. The US-China dataset shows a decline, while the US-EU dataset reveals an increase.
- We selected these datasets because they help us understand a broader shift in trends. Despite focusing on different sectors, they all point towards similar changes, emphasizing the interconnected impact of tariffs on international commerce.