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U.S – CHINA TRADE AND ITS EFFECTS ON U.S. MANUFACTURING EMPLOYMENT

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The pattern of trade between the United States and China has changed dramatically over the past 20 years, witnessing a substantial growth in both U.S. exports to and imports from China. The purpose of this study is to assess whether U.S. – China trade in manufacturing sector has an impact on U.S. manufacturing industries after controlling changes in economic environment. By analyzing the trade patterns during the period of 1989 – 2010 using OLS regressions, we can see how the U.S trade balance, and imports and exports with China affect employment of 21 U.S manufacturing industries. The findings of this study confirm that changes in U.S manufacturing employment can be attributed to the trade patterns between the United States and China over the past 20 years for most manufacturing industries.