

Table 1 Import and export effects of China's auto export subsidy on the United States, 2011

Import effects on the United States		
	Value	Notation / calculation
Chinese auto and auto parts exports to the world (millions of dollars) ¹	69,000	A
Alleged Chinese export subsidy per year (millions of dollars)	400	B
Chinese subsidy as a percent of Chinese exports (percent)	0.6	$(B/A)*100 = C$
Assumed price elasticity ²	-3	D
US import of autos and auto parts from China (millions of dollars)	7,000	E
Possible decrease in US imports of autos and auto parts from China (millions of dollars)	200	$[(C*D)*E] = F$
US jobs per billion dollars of additional auto and auto part sales ³	6,000	G
Effect on US jobs (number of jobs)	1,200	$F*G/1,000$
Export effects on the United States		
	Value	Notation / calculation
Chinese auto and auto parts exports to the world (millions of dollars)	69,000	A
Alleged Chinese export subsidy per year (millions of dollars)	400	B
Chinese subsidy as a percent of Chinese exports (percent)	0.6	$(B/A)*100 = C$
Assumed price elasticity ²	-3	D
Possible decrease in Chinese exports of autos and auto parts to the world (millions of dollars)	2,000	$[(C*D)*A] = E$
US exports of autos and auto parts to the world (millions of dollars)	120,000	F
World exports of autos and auto parts (millions of dollars)	1,300,000	G
US share of world exports of autos and auto parts (percent)	9.2	H
Possible increase in US exports of autos and auto parts to the world (millions of dollars)	184	$(G*E) = I$
US jobs per billion dollars of additional auto and auto part sales ³	6,000	J
Effect on US jobs (number of jobs)	1,100	$(I*J)/1,000$

¹ For Chinese auto and auto parts exports to the world we use the figure provided by US Trade Representative (USTR), which is significantly higher than the figures reported by the World Trade Organization (\$46 billion) and UN Comtrade statistics (\$38 billion).

² We deliberately assume a large price elasticity.

³ We assume 6,000 jobs are created per \$1 billion of output. See Hufbauer, Fickling, and Wong (2011) for a discussion.

Sources : World Trade Organization statistics database, 2012, <http://stat.wto.org>; US Bureau of Labor Statics, 2012, <http://www.bls.gov/>; United States International Trade Commission DataWeb, 2012, <http://www.usitc.gov/>; Office of the United States Trade Representative, USTR News, 2012, <http://www.ustr.gov/>.