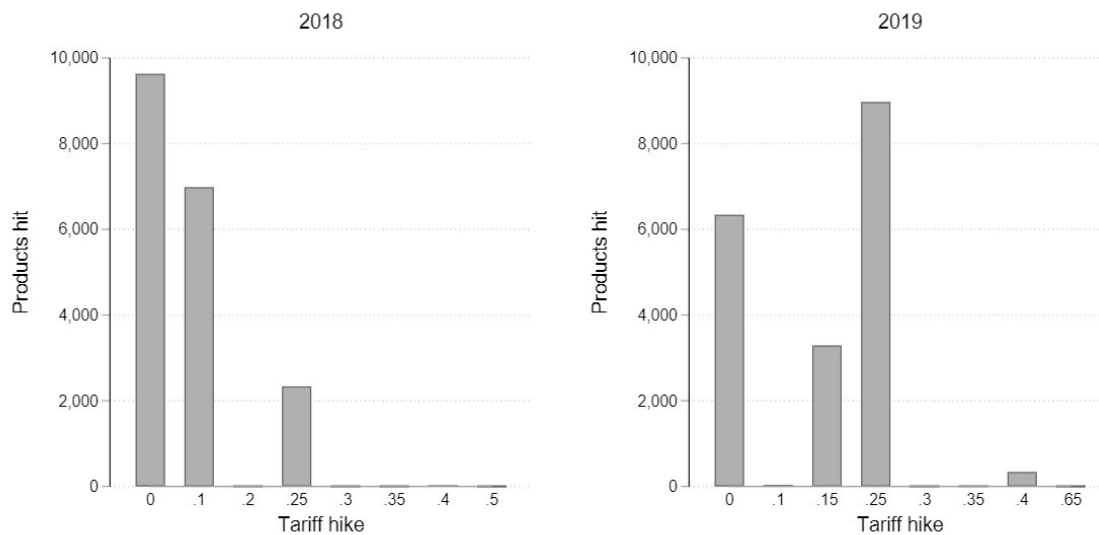


Trade war between superpowers provides unexpected boost for Vietnam

April 28 2023



Distribution of US-China trade war tariff changes. Products are defined at the 10-digit level of the Harmonized System (HS) classification. Tariff hikes are relative to 2017. Credit: *SocArxiv* (2023). DOI: 10.31235/osf.io/9rdne

A trade war between China and the United States triggered by former president Donald Trump created an unexpected boost for Vietnam, new research has shown.

A series of tariffs introduced by the president between 2018 and 2019 covered some £200 billion of Chinese goods and included 19,000

products, a move which left US-based businesses scrambling for alternative import options.

One of the biggest 'winners' of the [trade war](#) was Vietnam which, according to new data, saw a 40 percent boost in its exports of tariff-affected products to the US between 2017-2020, as well as a significant increase in jobs and wages for Vietnamese workers.

The results were published in a new paper, Trade Policy and Jobs in Vietnam: The Unintended Consequences of Trump's Trade War, co-authored by Dr. Pierre-Louis Vezina, Dr. Sanchari Roy and Anri Sakakibara, of King's College London, and Professor Lorenzo Rotunno, of the Aix-Marseille School of Economics.

The researchers write, "The value of Vietnamese exports to the US grew by 40 percent as a result of Trump's tariffs on China. This was driven by both increased exports in products Vietnam already exported to the US, and by an increased likelihood of new exports in Trump-affected products relative to non-affected ones. Previously exported products were also less likely to exit from the US market. This indicates that the adjustment for Vietnamese exporters to the Trump-induced trade shock occurred at both the intensive and extensive margins."

"Importantly, our results suggest that Trump's trade war led to an acceleration of the shift of manufacturing exports away from China and towards other emerging economies."

In sectors targeted by the US trade tariffs, Vietnam saw a 15 percent increase in the number of jobs, while individuals worked on average an extra 50 minutes per week. While the gains in [employment](#) were mostly for men, women enjoyed higher wage gains, indicating that increased trade between Vietnam and US ensuing from the US-China trade war may have helped close Vietnam's gender wage gap.

However, there was no sign that the increase in exports to the US resulted in occupational upgrading in Vietnam, with researchers suggesting this may have been because the new jobs created were predominantly in low-skilled occupations.

The study is published on the preprint server *SocArxiv*.

More information: Lorenzo Rotunno et al, Trade Policy and Jobs in Vietnam: The Unintended Consequences of Trump's Trade War, *SocArxiv* (2023). [DOI: 10.31235/osf.io/9rdne](https://doi.org/10.31235/osf.io/9rdne)

Provided by King's College London

Citation: Trade war between superpowers provides unexpected boost for Vietnam (2023, April 28) retrieved 23 June 2024 from <https://phys.org/news/2023-04-war-superpowers-unexpected-boost-vietnam.html>

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