

ANALYSIS

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Trade Tensions Test China's Provincial Economies

Introduction

China's provincial economies have come under strain as the prolonged trade war between the U.S. and China hampers exports and overall economic activity. Using the Moody's Analytics model of the global economy and the Moody's Analytics model of China's provincial economies, we assessed the potential fallout for China's provinces if trade negotiations between the U.S. and China break down and tensions reignite. While China's coastal provinces would bear the brunt of a protracted trade war, inland provinces' rising participation in global value chains leaves them exposed should trade tensions re-escalate.

Trade Tensions Test China's Provincial Economies

BY STEVEN G. COCHRANE, SHU DENG, ABHILASHA SINGH, JESSE ROGERS, KATRINA ELL AND XIAO CHUN XU

China's provincial economies have come under strain as the prolonged trade war between the U.S. and China hampers exports and overall economic activity. Using the Moody's Analytics model of the global economy and the Moody's Analytics model of China's provincial economies, we assessed the potential fallout for China's provinces if trade negotiations between the U.S. and China break down and tensions reignite. While China's coastal provinces would bear the brunt of a protracted trade war, inland provinces' rising participation in global value chains leaves them exposed should trade tensions re-escalate.

Fallout from the trade war between the U.S. and China has been slow to show up in provincial-level economic data,¹ but fissures are increasingly apparent. Almost all Chinese provinces experienced a slowdown in goods exports² in the final months of 2018 after the Trump administration levied tariffs on \$250 billion of Chinese goods last summer and fall. While stockpiling by U.S. wholesalers in advance of the tariffs delivered an initial boost to exports, export trade slowed across China's provinces last year as U.S. tariff hikes raised prices for consumer durables imported from China and electronic components in demand by U.S. manufacturers. As Chinese factory production slowed, imports by China's provinces contracted outright, pushing total trade—the sum of imports and exports—into the red.

While the retrenchment in trade flows was most pronounced in the nine coastal provinces that form China's East region,³ China's central and western provinces experi-

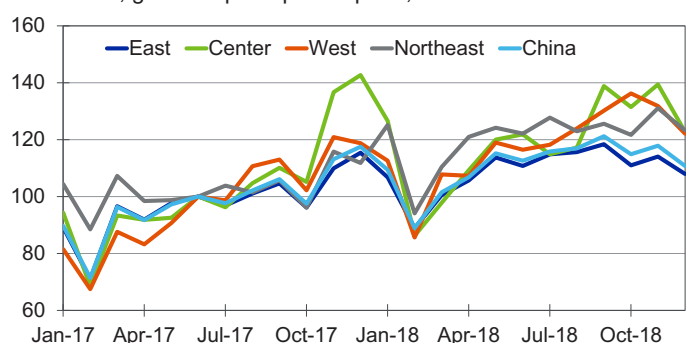
enced a sharp reduction in total trade as well (see Chart 1). This testifies to the growing importance of manufacturing exports inland, especially in the central provinces of Henan and Anhui, which lie adjacent to coastal provinces and have emerged as important producers of consumer electronics and mobile devices. Export-oriented provinces in the West experienced a significant slowdown as well, with exports from Sichuan and Chongqing—among the world's largest producers of laptop and personal computers—contracting outright. China's Northeast, which has struggled to diversify its manufacturing base away from fabricated metals and heavy industry, experienced a smaller pullback in trade last year, although it makes up a falling share of China's global exports.

The dip in total trade was accompanied by a slowdown in manufacturing production in China's largest provinces. The total value added by

manufacturing production in Guangdong, China's largest province by both output and exports, grew less quickly in the final months of 2018, while the value added by manufacturers in export powerhouses Chongqing and Jiangsu barely grew at all. Only in the Northeast did the value of manufacturing production increase after digging its way out of a yearlong economic contraction. Retail sales experienced a similar slowdown across China's provinces, suggesting that retrenchment in trade flows and slowing manufacturing production have taken a toll on wages and consumer spending (see Chart 2).

Chart 1: Trade Slows Across Regions

Total trade, goods exports plus imports, Jun 2017=100



Sources: GACC, NBS, Moody's Analytics

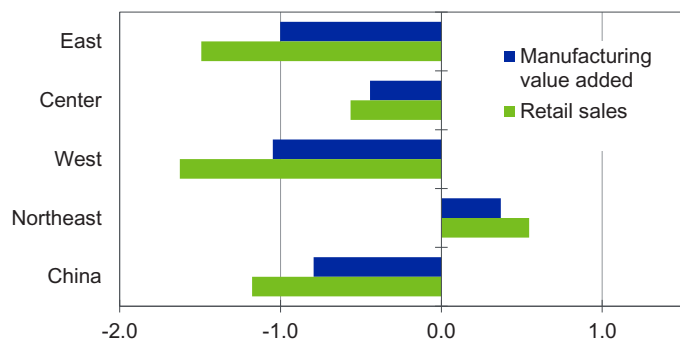
¹ For the purposes of this report, we do not include the Hong Kong and Macau Special Administrative Regions or Taiwan.

² China's customs authority does not publish monthly data on service exports at the provincial level.

³ Beijing is also included in the East region despite its location inland. Total trade in Beijing slowed but did not contract outright. See Appendix for a breakdown of the Moody's Analytics regional aggregates for China.

Chart 2: Activity Slides Beyond Northeast

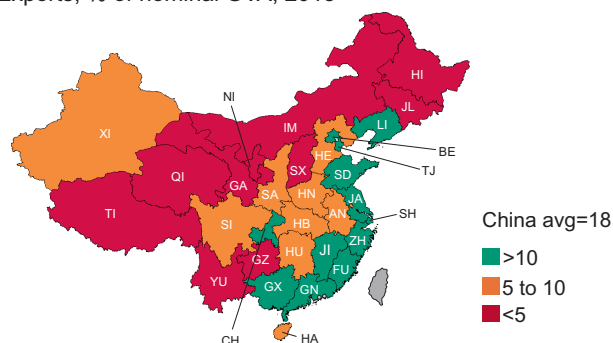
Growth rate, 2018Q4, difference yr ago, ppts



Sources: NBS, Moody's Analytics

Chart 3: Coastal Provinces Power Exports

Exports, % of nominal GVA, 2018



Sources: NBS, Moody's Analytics

While it is difficult to disentangle the soft data on manufacturing and retail sales from the broader slowing of China's economy, most factory output in China's eastern provinces is destined for economies overseas, leaving them vulnerable to a re-escalation of trade tensions with the U.S. (see Chart 3). However, the East would not be the sole casualty of rising trade tensions between the U.S. and China. Exports' share of total provincial output has increased in China's Center and West over the past eight years, even as it declined substantially in the East and Northeast (see Chart 4).

To assess the potential fallout of rising trade tensions for China's provincial economies, we ran assumptions on trade flows and tariffs through the Moody's Analytics Global Model under varying degrees of severity. We then used the results for China's national economy to solve the Moody's Analytics economic model of China's provinces

and generate results for output, income, employment and wages at the provincial level. We considered three scenarios regarding the ongoing trade negotiations, beginning with the tariffs currently in place.

Actual Tariffs scenario (70% probability)

Citing progress in talks between U.S. and Chinese trade officials, President Trump has postponed the deadline for an increase in tariff rates on \$200 billion of Chinese imports that were set to take effect on March 1. Although the two sides remain split over U.S. demands for reforms to China's economy and measures to limit Chinese intervention in currency markets, Moody's Analytics expects a deal to be reached this spring that phases out tariffs in exchange for greater Chinese purchases of agricultural goods and modest amendments to China's intellectual property laws.

If this is the extent of the trade conflict and the two sides come to a resolution sometime this spring, then tariff-related impairment to the Chinese economy will be minimal. While existing tariffs will remain in place until an agreement is reached and any rollback will likely be gradual, creating uncertainty for businesses and consum-

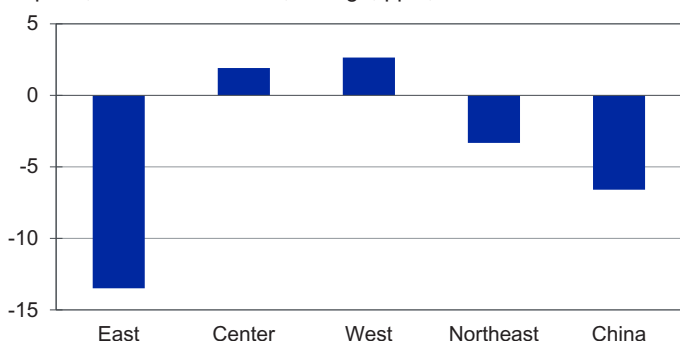
ers, the Chinese economy will largely shrug it off. Real GDP growth will be 0.05 percentage point lower this year and little changed from the baseline in 2020. There will be 11,000 fewer jobs by the start of next year, a mere drop in the bucket compared with a workforce of more than 800 million.

The impact of the current tariffs differs across China's provinces, with the hit to real gross-value-added growth in the East slightly larger than it is nationally. In all, the current tariffs shave 0.06 percentage point from GVA growth in eastern provinces in 2019 and around 0.02 percentage point from growth the following year. Tariff impacts are smaller for the Center and West. Despite their growing reliance on exports, many central and western provinces rely on agriculture, mining, and other primary industries whose products are primarily consumed domestically. By contrast, inland provinces that have developed a significant manufacturing base, such as Henan, Sichuan and Chongqing, experience a similar slowdown to those in the East, with growth lower by 0.06, 0.07 and 0.05 percentage point, respectively, in 2019 and slightly lower than the baseline in 2020.

While the Northeast is less reliant on global trade, and trade with the U.S. in particular, the tariffs currently in place cause Northeast economies to slow at a similar rate as those in the East. Northeast provinces Heilongjiang, Jilin and Liaoning, which are heavily reliant on automotive manufacturing and steel production, barely returned to growth before the imposition of tariffs on aluminum and steel last spring. While the current-tariffs

Chart 4: Export Reliance Grows Inland

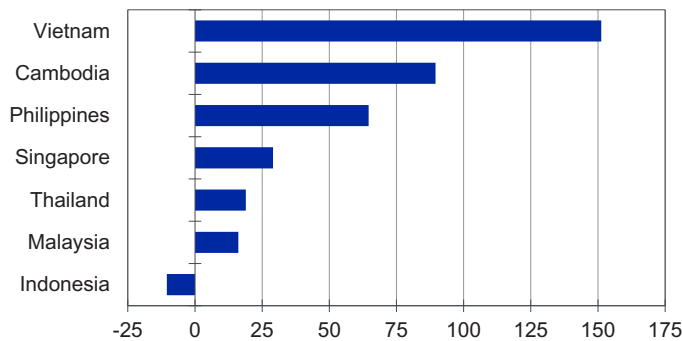
Exports, % of nominal GVA, change, ppts, 2010 to 2018



Sources: NBS, Moody's Analytics

Chart 5: Tariffs Hasten Supply-Chain Shift

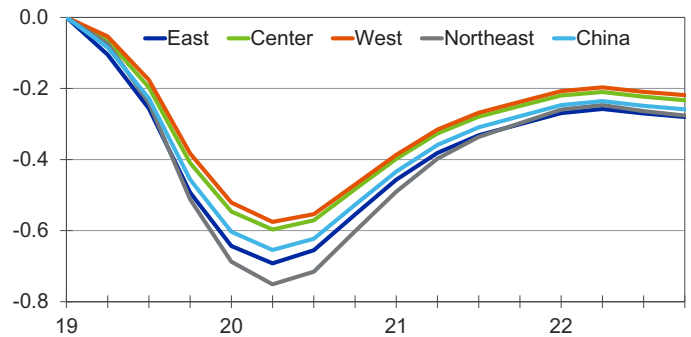
Import content of Chinese exports, % change, 2010 to 2015



Sources: OECD, Moody's Analytics

Chart 6: Tariff Escalation Takes Broad Toll

% difference in real GVA, Threatened Tariffs scenario vs. baseline



Source: Moody's Analytics

scenario does not assume a resolution of other U.S. tariff disputes, tariffs on the existing \$250 million of Chinese exports include duties on autos and electronic components produced in the Northeast. Slower initial growth and exposure to tariffs cause its economy to slow more in this scenario.

Model limitations

Changes to provincial supply chains are not explicitly considered by the model, but it would be difficult to dismiss the impact of current tariffs on the cost competitiveness of provincial exports, especially in low-value, low-margin industries such as textiles, furniture and generic pharmaceuticals. According to value-added trade statistics compiled by the OECD, the participation of neighboring countries in Chinese supply chains is on the rise: The value-added share of intermediate goods produced in Southeast Asia and later incorporated into final Chinese exports surged from 2010 to 2015, with intermediate inputs from Vietnam, Cambodia and the Philippines growing especially quickly (see Chart 5).

This reflects the growing specialization of coastal factories in high-tech sectors. However, the current tariffs are causing Chinese and global manufacturers in low-value industries, some of which have migrated to inland China, to reconsider plans for investment, even in the event of an agreement between the U.S. and China.⁴ While the cost

competitiveness of Chinese provinces is captured to some degree by growth in real-wage income and GVA at the industry level, supply chain linkages are difficult to model in the absence of provincial-level data on the destination of exports.

With current U.S. tariffs making Chinese goods costlier for U.S. consumers and industry, the decision to shift supply chains to neighboring countries could grow more appealing, and would prove difficult to reverse given rising wages in coastal as well as Center and West provinces.

Threatened Tariffs scenario (25% probability)

Progress in trade negotiations and mounting wear on the U.S. and Chinese economies make a re-escalation of the trade war less likely, but the Trump administration has threatened to impose additional tariffs should the U.S. prove unable to win concessions on market access, intellectual property and trade imbalances. Trump has threatened to raise tariffs on the existing \$200 billion of Chinese imports from 10% to 25%, and impose a 10% tariff on the remaining \$270 billion of Chinese imports to the U.S. Additionally, the president has threatened about \$275 billion in vehicle imports with a 25% hike, although a side agreement with Mexico and Canada likely to be honored following the successful U.S.-Mexico-Canada Agreement negotiations would significantly lower this amount.

If actually implemented, close to one-third of all imported goods into the U.S.

would be subject to higher tariffs. Assuming that impacted U.S. trading partners respond with in-kind tariffs on U.S. goods, the economic consequences for China's provinces would be more serious.

The new tariffs hamper global trade and investment, causing economic growth in the U.S. to come to a near halt and prompting a significant slowdown in China. As the additional tariffs take effect and raise the cost of Chinese exports, real GDP growth in China is reduced by 0.45 percentage point by the end of this year and by 0.6 percentage point at the tariffs' peak impact one year from now. Although the regional impacts are more pronounced in the East—the origin of more than 80% of China's exports—the escalation of the U.S.-China trade dispute has broad regional consequences (see Chart 6). And while most eastern provinces slow in tandem, impacts are less pronounced in Beijing, which relies more on service exports, and in Hainan, which has struggled to latch on to Guangdong's export boom.

Although the mostly rural provinces of China's Center and West experience less of a slowdown, dimming the tariffs' impact at the regional level, provinces with a growing base of high-tech exports such as Henan, Sichuan and Chongqing slow on par with their eastern peers.

Nonetheless, the largest deceleration occurs in the Northeast. This is because of underlying weakness in the Northeast's economies, which have recovered only meekly following a contraction in recent years, and because of the region's export profile. As

⁴ See Cochrane, Steve et al., "China's Provincial Economies: Growing Together or Pulling Apart?" Moody's Analytics, January 2019. <https://www.moodyanalytics.com/-/media/article/2019/china-provincial-economies.pdf>

tariff hikes cause the global economy to teeter, demand for steel, autos, industrial machinery, and other heavy industrial goods slackens, causing a large and protracted slowdown among Northeast provinces.

Trade Conflagration scenario (5% probability)

There is still a chance that trade negotiations between China and the U.S. could go very wrong, triggering an all-out trade war. While it would take a severe deterioration in trade relations to derail the global expansion and send growth in China far below our baseline, an across-the-board hike in tariffs on U.S.-China trade could do it. The U.S.-China trade relationship is the largest in the world, with Chinese imports to the U.S. running a little more than \$520 billion per annum—more than one-fifth of total U.S. imports. U.S. exports to China total more than \$130 billion—close to one-tenth of total U.S. exports. This is arguably the world's most economically significant bilateral relationship. As such, a rapid re-escalation of trade tensions would have dire global consequences.

A scenario that includes a 25% tariff on all this trade, coupled with Chinese qualitative measures that complicate doing business in China for American companies, would overwhelm the global economic expansion. There is a range of qualitative steps China could take, from more aggressive inspections of U.S. imports to stiffer visa requirements for visiting American workers, to ensure that they match the economic pain created by the U.S. tariffs on Chinese products.

In this scenario, the U.S. economy decelerates sharply and falls into recession by the first quarter of 2020, while growth in China slows by 0.5 percentage point in 2019 to 5.8% and by 1.4 percentage points to 4.6% by the second quarter of 2020 as the collapse in global trade flows hits bottom.

The escalation of trade tensions deals a significant setback to growth in China's provincial economies, with impacts most pronounced in the East and Northeast. However, the deceleration in growth in the Center and West is not much smaller. While provinces in the East and Northeast slow by almost 1.8 percentage points by 2020, growth in

the Center and West drops by 1.2 percentage points, a decline larger than any province experienced since the global financial crisis of 2008. As in the threatened tariffs scenario, Henan, Sichuan and Chongqing bear the brunt of the regional slowdown. However, other provinces that have experienced a more recent acceleration in exports—a group that includes Anhui, Jiangxi, Guizhou, Guangxi, Shanxi and Shaanxi—also experience a deceleration on par with or greater than that of China as a whole (see Chart 7).

The trade war's damage extends as far as Xinjiang. Although China's westernmost province does not export much of what it produces on its own, re-exports have surged in recent years as trade and transport links stretch west. The rising participation of other provinces' exports in trade would cause a larger than average deceleration in this scenario.

Hobbled by reliance on fabricated metals and heavy industry and an earlier softness, Northeast provinces weaken further. Although China's provincial economies eventually reaccelerate as the global economy finds its footing, trade war damage persists.

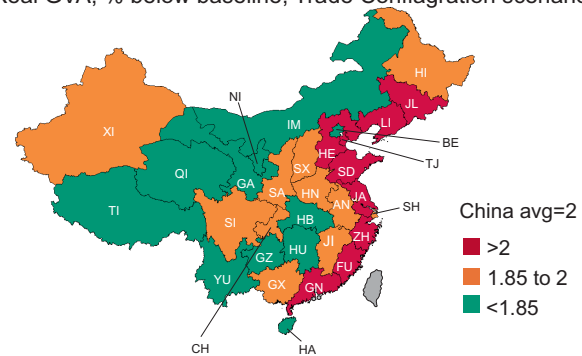
Despite the sharp escalation in tariffs and other trade barriers, this scenario does not explicitly consider trade diversion or shifts in global supply chains. However, the breakout of a full-fledged trade conflagration between the U.S. and China would likely cause a shift in global trade patterns toward regional trade partners in Southeast Asia and hasten manufacturers' shift to lower-cost production hubs such as Malaysia and Vietnam.

Secondary effects

While tariff escalation between the U.S. and China has yet to spread to services, export-oriented services such as tech and finance would feel the pinch should rising trade tensions further hinder global growth.

Chart 7: Trade War Impacts Stretch Inland

Real GVA, % below baseline, Trade Conflagration scenario



Sources: NBS, Moody's Analytics

In particular, fast-growing service centers in Beijing, Shanghai and Guangdong would be hard-pressed to advance their global leadership should trade escalation fuel the rise of nontariff barriers, discouraging international trade and investment in services. Damage to high-value service industries such as information technology, research and development, informatics, and financial services would be more concentrated and would be felt mostly in a handful of eastern provinces.

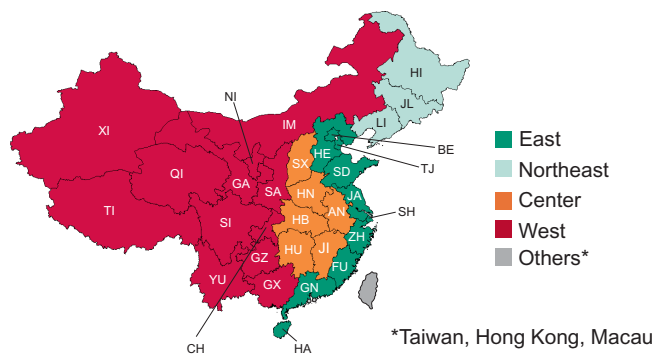
A broader trade war would restrain wage growth in both coastal and inland provinces, but the deceleration would not change cost dynamics vis-à-vis other Southeast Asian manufacturing hubs. Although wages in inland provinces are about a third lower than those in China's coastal provinces, they still exceed wages in other manufacturing hubs in Southeast Asia by a large margin.

The rapid diversification of China's economy and the growing importance of manufacturing as an economic driver in central and western provinces would amplify the regional fallout from a potential trade shock. China's coastal provinces remain the country's beating heart, but growth in manufacturing exports inland creates risk for provinces that until the recent decade were not exposed to global trade. Although inland provinces still account for a smaller share of China's exports and foreign investment, the inland migration of supply chains over the past decade has been a powerful driver of economic growth. It has also helped close the gap in economic development between the Center and West and China's coastal provinces.

Appendix

To better understand the industrial structure, economic performance and comparative advantages of China's provinces, we group them into four regions: East, Center, West and Northeast (see Chart 8). This regional breakdown closely aligns with China's National Bureau of Statistics. However, we separate the Northeast provinces of Liaoning, Jilin and Heilongjiang from China's other eastern provinces given their geographic isolation, outside reliance on heavy industry, and economic stagnation. With the exception of the Northeast, where metals, machinery and petrochemicals manufacturing overshadows almost all other industries, economic drivers are diverse across regions. High-tech manufacturing and tech-related services predominate in the East, while more labor-intensive manufacturing industries, agriculture, energy, and resource extraction anchor the Center and West.

Chart 8: The Four Regions of China



Sources: NBS, Moody's Analytics

Province Abbreviations

East	
BE	Beijing
FU	Fujian
GN	Guangdong
HA	Hainan
HE	Hebei
JA	Jiangsu
SD	Shandong
SH	Shanghai
TJ	Tianjin
ZH	Zhejiang

Center	
AN	Anhui
HB	Hubei
HN	Henan
HU	Hunan
JI	Jiangxi
SX	Shanxi

Northeast	
HI	Heilongjiang
JL	Jilin
LI	Liaoning

West	
CH	Chongqing
GA	Gansu
GX	Guangxi
GZ	Guizhou
IM	Inner Mongolia
NI	Ningxia
QI	Qinghai
SA	Shaanxi
SI	Sichuan
TI	Tibet
XI	Xinjiang
YU	Yunnan

Sources: NBS, Moody's Analytics

Trade War Impact for China's Provinces: Gross Value Added

% change

	2018	2019	2020	2021	2022	2023
East						
No tariffs	6.36	9.32	7.07	6.71	6.07	5.68
Actual tariffs	6.36	9.26	7.01	6.78	6.05	5.66
Threatened tariffs	6.36	9.08	6.62	7.00	6.18	5.64
25% tariff on U.S.-China trade	6.36	8.76	5.65	7.01	7.13	5.86
Beijing						
No tariffs	7.80	12.60	8.60	8.00	7.30	6.80
Actual tariffs	7.80	12.50	8.60	8.10	7.20	6.80
Threatened tariffs	7.80	12.40	8.20	8.30	7.40	6.80
25% tariff on U.S.-China trade	7.80	12.10	7.40	8.40	8.30	7.00
Fujian						
No tariffs	9.08	8.14	5.90	5.69	5.15	4.82
Actual tariffs	9.08	8.08	5.84	5.76	5.13	4.81
Threatened tariffs	9.08	7.94	5.46	5.98	5.26	4.78
25% tariff on U.S.-China trade	9.08	7.62	4.50	5.95	6.20	5.01
Guangdong						
No tariffs	6.90	11.70	7.70	7.30	6.60	6.10
Actual tariffs	6.90	11.60	7.70	7.40	6.50	6.10
Threatened tariffs	6.90	11.40	7.30	7.60	6.70	6.00
25% tariff on U.S.-China trade	6.90	11.10	6.30	7.60	7.60	6.30
Hainan						
No tariffs	7.81	6.01	5.98	5.70	5.17	4.87
Actual tariffs	7.81	5.96	5.93	5.77	5.15	4.85
Threatened tariffs	7.81	5.84	5.59	5.97	5.29	4.83
25% tariff on U.S.-China trade	7.81	5.57	4.81	6.02	6.14	5.05
Hebei						
No tariffs	-1.40	19.80	6.40	6.10	5.60	5.20
Actual tariffs	-1.40	19.70	6.30	6.20	5.50	5.20
Threatened tariffs	-1.40	19.60	5.90	6.40	5.70	5.20
25% tariff on U.S.-China trade	-1.40	19.20	5.00	6.40	6.60	5.40
Jiangsu						
No tariffs	4.80	11.40	6.20	6.00	5.50	5.20
Actual tariffs	4.80	11.40	6.20	6.10	5.50	5.20
Threatened tariffs	4.80	11.10	5.70	6.30	5.60	5.20
25% tariff on U.S.-China trade	4.80	10.80	4.70	6.30	6.50	5.40
Shandong						
No tariffs	7.93	0.61	6.69	6.31	5.67	5.30
Actual tariffs	7.93	0.56	6.63	6.38	5.65	5.28
Threatened tariffs	7.93	0.43	6.25	6.59	5.78	5.26
25% tariff on U.S.-China trade	7.93	0.15	5.33	6.59	6.70	5.47
Shanghai						
No tariffs	8.36	8.64	7.38	6.84	6.15	5.80
Actual tariffs	8.36	8.58	7.32	6.91	6.13	5.78
Threatened tariffs	8.36	8.44	6.95	7.14	6.24	5.76
25% tariff on U.S.-China trade	8.36	8.10	6.04	7.17	7.24	5.98
Tianjin						
No tariffs	7.70	12.80	6.20	6.10	5.60	5.30
Actual tariffs	7.70	12.80	6.10	6.10	5.60	5.30
Threatened tariffs	7.70	12.60	5.80	6.30	5.70	5.30
25% tariff on U.S.-China trade	7.70	12.30	4.80	6.40	6.60	5.50
Zhejiang						
No tariffs	6.86	6.60	8.47	7.94	7.12	6.59
Actual tariffs	6.86	6.55	8.41	8.01	7.10	6.57
Threatened tariffs	6.86	6.33	8.00	8.24	7.23	6.55
25% tariff on U.S.-China trade	6.86	6.05	7.00	8.24	8.20	6.77

Sources: NBS, Moody's Analytics

Trade War Impact for China's Provinces: Gross Value Added

% change

	2018	2019	2020	2021	2022	2023
Center						
No tariffs	5.68	8.26	5.88	5.71	5.22	4.92
Actual tariffs	5.68	8.21	5.83	5.77	5.19	4.91
Threatened tariffs	5.68	8.07	5.48	5.96	5.32	4.88
25% tariff on U.S.-China trade	5.68	7.80	4.64	5.94	6.13	5.08
Anhui						
No tariffs	6.47	6.62	6.40	6.07	5.48	5.13
Actual tariffs	6.47	6.57	6.34	6.13	5.46	5.12
Threatened tariffs	6.47	6.43	5.99	6.32	5.58	5.09
25% tariff on U.S.-China trade	6.47	6.13	5.11	6.29	6.39	5.28
Hubei						
No tariffs	6.86	8.46	4.94	5.07	4.79	4.65
Actual tariffs	6.86	8.41	4.89	5.13	4.77	4.63
Threatened tariffs	6.86	8.29	4.55	5.32	4.89	4.61
25% tariff on U.S.-China trade	6.86	8.01	3.74	5.30	5.69	4.80
Henan						
No tariffs	5.85	6.10	5.59	5.54	5.11	4.85
Actual tariffs	5.85	6.06	5.54	5.60	5.08	4.83
Threatened tariffs	5.85	5.91	5.18	5.79	5.21	4.80
25% tariff on U.S.-China trade	5.85	5.66	4.34	5.76	6.03	5.00
Hunan						
No tariffs	3.20	11.50	5.70	5.60	5.10	4.80
Actual tariffs	3.20	11.50	5.70	5.60	5.10	4.80
Threatened tariffs	3.20	11.40	5.40	5.80	5.20	4.80
25% tariff on U.S.-China trade	3.20	11.10	4.60	5.80	6.00	4.90
Jiangxi						
No tariffs	5.08	6.21	6.45	6.08	5.46	5.05
Actual tariffs	5.08	6.16	6.39	6.14	5.43	5.04
Threatened tariffs	5.08	6.03	6.04	6.34	5.56	5.01
25% tariff on U.S.-China trade	5.08	5.76	5.18	6.31	6.39	5.21
Shanxi						
No tariffs	7.50	12.50	7.60	6.90	6.00	5.50
Actual tariffs	7.50	12.40	7.50	6.90	6.00	5.50
Threatened tariffs	7.50	12.30	7.20	7.10	6.10	5.50
25% tariff on U.S.-China trade	7.50	12.00	6.30	7.10	7.00	5.70
Northeast						
No tariffs	2.64	7.95	3.61	3.75	3.39	3.24
Actual tariffs	2.64	7.89	3.55	3.83	3.36	3.22
Threatened tariffs	2.64	7.73	3.12	4.07	3.51	3.19
25% tariff on U.S.-China trade	2.64	7.37	2.09	4.07	4.55	3.44
Heilongjiang						
No tariffs	0.37	3.05	2.53	2.86	2.69	2.68
Actual tariffs	0.37	3.00	2.47	2.93	2.66	2.66
Threatened tariffs	0.37	2.86	2.09	3.15	2.81	2.62
25% tariff on U.S.-China trade	0.37	2.58	1.24	3.18	3.73	2.86
Jilin						
No tariffs	2.18	7.04	6.82	6.46	5.69	5.23
Actual tariffs	2.18	6.97	6.75	6.55	5.65	5.20
Threatened tariffs	2.18	6.80	6.27	6.81	5.82	5.17
25% tariff on U.S.-China trade	2.18	6.42	5.11	6.79	6.95	5.43
Liaoning						
No tariffs	4.20	11.20	2.50	2.80	2.50	2.40
Actual tariffs	4.20	11.10	2.50	2.80	2.50	2.40
Threatened tariffs	4.20	11.00	2.00	3.10	2.60	2.40
25% tariff on U.S.-China trade	4.20	10.60	1.00	3.10	3.70	2.60

Sources: NBS, Moody's Analytics

Trade War Impact for China's Provinces: Gross Value Added

% change

	2018	2019	2020	2021	2022	2023
West						
No tariffs	5.63	0.23	6.25	6.02	5.47	5.12
Actual tariffs	5.63	0.19	6.19	6.08	5.44	5.10
Threatened tariffs	5.63	0.08	5.85	6.26	5.57	5.08
25% tariff on U.S.-China trade	5.63	-0.18	5.01	6.21	6.37	5.29
Chongqing						
No tariffs	3.18	7.01	5.19	5.12	4.70	4.48
Actual tariffs	3.18	6.96	5.13	5.18	4.68	4.46
Threatened tariffs	3.18	6.82	4.77	5.38	4.81	4.44
25% tariff on U.S.-China trade	3.18	6.53	3.89	5.33	5.66	4.66
Gansu						
No tariffs	6.93	-8.71	8.11	7.48	6.66	6.09
Actual tariffs	6.93	-8.75	8.05	7.54	6.63	6.07
Threatened tariffs	6.93	-8.85	7.71	7.72	6.75	6.05
25% tariff on U.S.-China trade	6.93	-9.07	6.92	7.71	7.54	6.25
Guangxi						
No tariffs	0.90	14.80	5.70	5.50	5.00	4.70
Actual tariffs	0.90	14.70	5.70	5.60	5.00	4.70
Threatened tariffs	0.90	14.60	5.30	5.80	5.10	4.70
25% tariff on U.S.-China trade	0.90	14.30	4.50	5.70	5.90	4.90
Guizhou						
No tariffs	6.09	5.29	3.93	4.06	3.80	3.69
Actual tariffs	6.09	5.24	3.87	4.11	3.77	3.67
Threatened tariffs	6.09	5.12	3.53	4.29	3.90	3.65
25% tariff on U.S.-China trade	6.09	4.95	2.77	4.23	4.69	3.85
Inner Mongolia						
No tariffs	0.60	-33.50	14.50	12.60	10.80	9.60
Actual tariffs	0.60	-33.50	14.40	12.70	10.80	9.50
Threatened tariffs	0.60	-33.60	14.00	12.90	10.90	9.50
25% tariff on U.S.-China trade	0.60	-33.70	13.10	12.80	11.80	9.70
Ningxia						
No tariffs	11.70	-0.70	7.80	7.00	6.00	5.40
Actual tariffs	11.70	-0.70	7.70	7.00	6.00	5.40
Threatened tariffs	11.70	-0.80	7.40	7.20	6.10	5.40
25% tariff on U.S.-China trade	11.70	-1.00	6.80	6.90	6.80	5.60
Qinghai						
No tariffs	3.52	1.24	7.73	7.20	6.45	5.93
Actual tariffs	3.52	1.19	7.68	7.26	6.42	5.92
Threatened tariffs	3.52	1.15	7.43	7.44	6.52	5.87
25% tariff on U.S.-China trade	3.52	0.96	6.75	7.35	7.26	6.01
Shaanxi						
No tariffs	7.66	1.67	6.67	6.33	5.67	5.25
Actual tariffs	7.66	1.62	6.62	6.39	5.65	5.23
Threatened tariffs	7.66	1.55	6.29	6.59	5.77	5.20
25% tariff on U.S.-China trade	7.66	1.22	5.34	6.54	6.63	5.42
Sichuan						
No tariffs	8.94	1.89	4.66	4.75	4.46	4.30
Actual tariffs	8.94	1.85	4.60	4.81	4.43	4.28
Threatened tariffs	8.94	1.71	4.24	4.99	4.55	4.26
25% tariff on U.S.-China trade	8.94	1.47	3.42	4.95	5.35	4.46
Tibet						
No tariffs	8.60	12.30	6.90	6.30	5.70	5.30
Actual tariffs	8.60	12.20	6.80	6.40	5.70	5.30
Threatened tariffs	8.60	12.20	6.60	6.50	5.80	5.30
25% tariff on U.S.-China trade	8.60	11.80	5.70	6.70	6.70	5.60
Xinjiang						
No tariffs	7.81	5.09	8.02	7.27	6.36	5.72
Actual tariffs	7.81	5.05	7.96	7.33	6.33	5.70
Threatened tariffs	7.81	4.93	7.62	7.52	6.46	5.68
25% tariff on U.S.-China trade	7.81	4.64	6.76	7.48	7.25	5.89
Yunnan						
No tariffs	6.99	5.68	4.22	4.29	4.03	3.90
Actual tariffs	6.99	5.64	4.17	4.35	4.00	3.88
Threatened tariffs	6.99	5.52	3.84	4.52	4.12	3.86
25% tariff on U.S.-China trade	6.99	5.27	3.09	4.50	4.87	4.06

Sources: NBS, Moody's Analytics

Trade War Impact for China's Provinces: Unemployment Rate

%

	2018	2019	2020	2021	2022	2023
East						
Beijing						
No tariffs	1.72	1.73	1.77	1.77	1.77	1.77
Actual tariffs	1.72	1.73	1.77	1.77	1.77	1.77
Threatened tariffs	1.72	1.74	1.81	1.81	1.79	1.77
25% tariff on U.S.-China trade	1.72	1.77	1.96	1.95	1.86	1.78
Fujian						
No tariffs	4.66	4.69	4.78	4.80	4.79	4.79
Actual tariffs	4.66	4.69	4.79	4.80	4.80	4.79
Threatened tariffs	4.66	4.72	4.89	4.91	4.85	4.80
25% tariff on U.S.-China trade	4.66	4.79	5.30	5.27	5.02	4.81
Guangdong						
No tariffs	2.98	3.00	3.05	3.06	3.06	3.06
Actual tariffs	2.98	3.00	3.05	3.06	3.06	3.06
Threatened tariffs	2.98	3.02	3.11	3.12	3.09	3.06
25% tariff on U.S.-China trade	2.98	3.05	3.33	3.31	3.18	3.07
Hainan						
No tariffs	2.82	2.85	2.90	2.91	2.91	2.90
Actual tariffs	2.82	2.85	2.90	2.91	2.91	2.90
Threatened tariffs	2.82	2.86	2.97	2.98	2.94	2.91
25% tariff on U.S.-China trade	2.82	2.90	3.22	3.20	3.05	2.92
Hebei						
No tariffs	4.45	4.48	4.54	4.55	4.55	4.54
Actual tariffs	4.45	4.48	4.54	4.55	4.55	4.54
Threatened tariffs	4.45	4.50	4.62	4.63	4.59	4.55
25% tariff on U.S.-China trade	4.45	4.54	4.91	4.88	4.71	4.56
Jiangsu						
No tariffs	3.59	3.62	3.69	3.70	3.69	3.69
Actual tariffs	3.59	3.62	3.69	3.70	3.69	3.69
Threatened tariffs	3.59	3.64	3.77	3.78	3.73	3.69
25% tariff on U.S.-China trade	3.59	3.69	4.07	4.04	3.86	3.70
Shandong						
No tariffs	4.14	4.16	4.22	4.23	4.22	4.22
Actual tariffs	4.14	4.16	4.22	4.23	4.23	4.22
Threatened tariffs	4.14	4.18	4.29	4.30	4.26	4.23
25% tariff on U.S.-China trade	4.14	4.22	4.55	4.53	4.37	4.23
Shanghai						
No tariffs	4.76	4.79	4.87	4.88	4.88	4.87
Actual tariffs	4.76	4.79	4.87	4.89	4.88	4.88
Threatened tariffs	4.76	4.82	4.96	4.97	4.92	4.88
25% tariff on U.S.-China trade	4.76	4.87	5.31	5.28	5.07	4.89
Tianjin						
No tariffs	4.23	4.25	4.30	4.31	4.31	4.31
Actual tariffs	4.23	4.25	4.30	4.31	4.31	4.31
Threatened tariffs	4.23	4.27	4.36	4.37	4.34	4.31
25% tariff on U.S.-China trade	4.23	4.30	4.59	4.57	4.44	4.32
Zhejiang						
No tariffs	3.31	3.34	3.40	3.41	3.41	3.40
Actual tariffs	3.31	3.34	3.40	3.41	3.41	3.40
Threatened tariffs	3.31	3.36	3.48	3.48	3.44	3.41
25% tariff on U.S.-China trade	3.31	3.40	3.76	3.74	3.57	3.42

Sources: NBS, Moody's Analytics

Trade War Impact for China's Provinces: Unemployment Rate

%

	2018	2019	2020	2021	2022	2023
Center						
Anhui						
No tariffs	3.56	3.59	3.65	3.66	3.66	3.66
Actual tariffs	3.56	3.59	3.66	3.67	3.66	3.66
Threatened tariffs	3.56	3.61	3.73	3.74	3.70	3.66
25% tariff on U.S.-China trade	3.56	3.66	4.03	4.00	3.83	3.67
Hubei						
No tariffs	3.04	3.07	3.15	3.16	3.16	3.15
Actual tariffs	3.04	3.07	3.15	3.16	3.16	3.15
Threatened tariffs	3.04	3.10	3.24	3.25	3.20	3.16
25% tariff on U.S.-China trade	3.04	3.15	3.57	3.54	3.34	3.17
Henan						
No tariffs	3.41	3.43	3.47	3.47	3.47	3.47
Actual tariffs	3.41	3.43	3.47	3.48	3.47	3.47
Threatened tariffs	3.41	3.44	3.51	3.52	3.49	3.47
25% tariff on U.S.-China trade	3.41	3.47	3.68	3.67	3.57	3.48
Hunan						
No tariffs	4.95	4.96	5.00	5.00	5.00	5.00
Actual tariffs	4.95	4.96	5.00	5.00	5.00	5.00
Threatened tariffs	4.95	4.97	5.04	5.04	5.02	5.00
25% tariff on U.S.-China trade	4.95	5.00	5.19	5.18	5.09	5.00
Jiangxi						
No tariffs	4.03	4.05	4.11	4.12	4.12	4.11
Actual tariffs	4.03	4.05	4.11	4.12	4.12	4.11
Threatened tariffs	4.03	4.07	4.18	4.19	4.15	4.12
25% tariff on U.S.-China trade	4.03	4.11	4.43	4.41	4.26	4.13
Shanxi						
No tariffs	4.14	4.18	4.25	4.27	4.26	4.26
Actual tariffs	4.14	4.18	4.25	4.27	4.26	4.26
Threatened tariffs	4.14	4.20	4.35	4.36	4.31	4.26
25% tariff on U.S.-China trade	4.14	4.26	4.70	4.66	4.46	4.27
Northeast						
Heilongjiang						
No tariffs	5.03	5.06	5.13	5.15	5.14	5.14
Actual tariffs	5.03	5.06	5.14	5.15	5.14	5.14
Threatened tariffs	5.03	5.08	5.22	5.23	5.18	5.14
25% tariff on U.S.-China trade	5.03	5.14	5.54	5.51	5.32	5.15
Jilin						
No tariffs	4.21	4.23	4.29	4.30	4.30	4.29
Actual tariffs	4.21	4.23	4.29	4.30	4.30	4.29
Threatened tariffs	4.21	4.25	4.36	4.37	4.33	4.30
25% tariff on U.S.-China trade	4.21	4.29	4.62	4.59	4.44	4.31
Liaoning						
No tariffs	4.57	4.63	4.77	4.79	4.78	4.78
Actual tariffs	4.57	4.63	4.77	4.80	4.79	4.78
Threatened tariffs	4.57	4.68	4.94	4.95	4.87	4.79
25% tariff on U.S.-China trade	4.57	4.77	5.56	5.50	5.13	4.81

Sources: NBS, Moody's Analytics

Trade War Impact for China's Provinces: Unemployment Rate

%

	2018	2019	2020	2021	2022	2023
West						
Chongqing						
No tariffs	4.14	4.16	4.21	4.22	4.22	4.22
Actual tariffs	4.14	4.16	4.22	4.22	4.22	4.22
Threatened tariffs	4.14	4.18	4.28	4.28	4.25	4.22
25% tariff on U.S.-China trade	4.14	4.22	4.51	4.49	4.35	4.23
Gansu						
No tariffs	3.13	3.16	3.23	3.24	3.23	3.23
Actual tariffs	3.13	3.16	3.23	3.24	3.24	3.23
Threatened tariffs	3.13	3.18	3.31	3.32	3.27	3.24
25% tariff on U.S.-China trade	3.13	3.23	3.61	3.58	3.40	3.25
Guangxi						
No tariffs	2.86	2.89	2.94	2.95	2.95	2.94
Actual tariffs	2.86	2.89	2.94	2.95	2.95	2.94
Threatened tariffs	2.86	2.90	3.01	3.01	2.98	2.95
25% tariff on U.S.-China trade	2.86	2.94	3.25	3.23	3.08	2.96
Guizhou						
No tariffs	3.87	3.90	3.98	3.99	3.99	3.98
Actual tariffs	3.87	3.90	3.98	3.99	3.99	3.98
Threatened tariffs	3.87	3.93	4.07	4.08	4.03	3.99
25% tariff on U.S.-China trade	3.87	3.98	4.41	4.38	4.18	4.00
Inner Mongolia						
No tariffs	4.35	4.39	4.47	4.48	4.48	4.47
Actual tariffs	4.35	4.39	4.47	4.49	4.48	4.48
Threatened tariffs	4.35	4.42	4.57	4.58	4.53	4.48
25% tariff on U.S.-China trade	4.35	4.47	4.93	4.90	4.68	4.49
Ningxia						
No tariffs	4.68	4.70	4.75	4.76	4.75	4.75
Actual tariffs	4.68	4.70	4.75	4.76	4.75	4.75
Threatened tariffs	4.68	4.72	4.80	4.81	4.78	4.75
25% tariff on U.S.-China trade	4.68	4.75	5.01	4.99	4.87	4.76
Qinghai						
No tariffs	3.61	3.67	3.79	3.81	3.80	3.79
Actual tariffs	3.61	3.67	3.79	3.81	3.80	3.80
Threatened tariffs	3.61	3.70	3.94	3.95	3.87	3.80
25% tariff on U.S.-China trade	3.61	3.79	4.49	4.44	4.11	3.82
Shaanxi						
No tariffs	3.92	3.96	4.04	4.06	4.05	4.04
Actual tariffs	3.92	3.96	4.04	4.06	4.05	4.05
Threatened tariffs	3.92	3.99	4.14	4.15	4.10	4.05
25% tariff on U.S.-China trade	3.92	4.04	4.51	4.47	4.26	4.06
Sichuan						
No tariffs	4.89	4.91	4.97	4.98	4.98	4.97
Actual tariffs	4.89	4.91	4.97	4.98	4.98	4.98
Threatened tariffs	4.89	4.93	5.04	5.05	5.01	4.98
25% tariff on U.S.-China trade	4.89	4.97	5.32	5.29	5.13	4.99
Tibet						
No tariffs	3.24	3.25	3.29	3.30	3.30	3.29
Actual tariffs	3.24	3.25	3.29	3.30	3.30	3.30
Threatened tariffs	3.24	3.27	3.34	3.34	3.32	3.30
25% tariff on U.S.-China trade	3.24	3.29	3.51	3.50	3.39	3.30
Xinjiang						
No tariffs	3.05	3.07	3.11	3.12	3.11	3.11
Actual tariffs	3.05	3.07	3.11	3.12	3.12	3.11
Threatened tariffs	3.05	3.08	3.16	3.17	3.14	3.12
25% tariff on U.S.-China trade	3.05	3.11	3.36	3.34	3.22	3.12
Yunnan						
No tariffs	3.88	3.91	4.00	4.01	4.01	4.00
Actual tariffs	3.88	3.91	4.00	4.01	4.01	4.00
Threatened tariffs	3.88	3.94	4.10	4.11	4.06	4.01
25% tariff on U.S.-China trade	3.88	4.00	4.47	4.44	4.22	4.02

Sources: NBS, Moody's Analytics

Trade War Impact for China's Provinces: Disposable Income

Nominal, % change

	2018	2019	2020	2021	2022	2023
East						
Beijing						
No tariffs	9.16	9.34	8.80	8.42	8.07	7.73
Actual tariffs	9.16	9.33	8.78	8.43	8.06	7.72
Threatened tariffs	9.16	9.25	8.48	8.45	8.10	7.72
25% tariff on U.S.-China trade	9.16	9.11	7.87	8.17	8.12	7.71
Fujian						
No tariffs	9.26	5.98	4.79	4.58	4.37	4.13
Actual tariffs	9.26	5.97	4.77	4.60	4.35	4.12
Threatened tariffs	9.26	5.89	4.46	4.62	4.41	4.12
25% tariff on U.S.-China trade	9.26	5.74	3.82	4.29	4.50	4.11
Guangdong						
No tariffs	8.93	7.03	5.93	5.72	5.48	5.22
Actual tariffs	8.93	7.02	5.91	5.73	5.47	5.21
Threatened tariffs	8.93	6.94	5.60	5.76	5.52	5.20
25% tariff on U.S.-China trade	8.93	6.79	4.96	5.41	5.61	5.18
Hainan						
No tariffs	9.10	9.60	8.69	8.38	8.07	7.74
Actual tariffs	9.10	9.58	8.67	8.40	8.06	7.73
Threatened tariffs	9.10	9.50	8.37	8.43	8.11	7.73
25% tariff on U.S.-China trade	9.10	9.35	7.74	8.13	8.19	7.71
Hebei						
No tariffs	9.68	9.39	8.26	7.97	7.66	7.33
Actual tariffs	9.68	9.37	8.24	7.98	7.64	7.32
Threatened tariffs	9.68	9.29	7.92	8.01	7.70	7.32
25% tariff on U.S.-China trade	9.68	9.13	7.27	7.68	7.79	7.30
Jiangsu						
No tariffs	9.07	8.75	7.77	7.50	7.21	6.89
Actual tariffs	9.07	8.74	7.75	7.52	7.20	6.88
Threatened tariffs	9.07	8.66	7.43	7.54	7.25	6.88
25% tariff on U.S.-China trade	9.07	8.50	6.76	7.18	7.35	6.87
Shandong						
No tariffs	8.60	8.53	7.89	7.59	7.29	6.97
Actual tariffs	8.60	8.51	7.87	7.61	7.28	6.96
Threatened tariffs	8.60	8.43	7.56	7.64	7.33	6.96
25% tariff on U.S.-China trade	8.60	8.28	6.91	7.30	7.42	6.95
Shanghai						
No tariffs	8.70	7.61	7.19	6.92	6.64	6.34
Actual tariffs	8.70	7.60	7.16	6.93	6.63	6.33
Threatened tariffs	8.70	7.52	6.86	6.96	6.68	6.33
25% tariff on U.S.-China trade	8.70	7.36	6.21	6.63	6.78	6.33
Tianjin						
No tariffs	7.30	10.10	9.90	9.50	9.10	8.80
Actual tariffs	7.30	10.10	9.90	9.50	9.10	8.70
Threatened tariffs	7.30	10.00	9.60	9.50	9.20	8.70
25% tariff on U.S.-China trade	7.28	9.87	8.91	9.22	9.21	8.74
Zhejiang						
No tariffs	8.76	4.10	2.36	2.21	2.06	1.88
Actual tariffs	8.76	4.09	2.33	2.23	2.04	1.87
Threatened tariffs	8.76	4.01	2.04	2.25	2.09	1.87
25% tariff on U.S.-China trade	8.76	3.86	1.41	1.91	2.18	1.86

Sources: NBS, Moody's Analytics

Trade War Impact for China's Provinces: Disposable Income

Nominal, % change

	2018	2019	2020	2021	2022	2023
Center						
Anhui						
No tariffs	9.67	8.30	7.43	7.02	6.71	6.42
Actual tariffs	9.67	8.28	7.40	7.03	6.69	6.41
Threatened tariffs	9.67	8.20	7.00	6.89	6.61	6.36
25% tariff on U.S.-China trade	9.67	8.03	6.14	6.00	6.25	6.20
Hubei						
No tariffs	8.88	7.18	6.61	6.25	5.95	5.68
Actual tariffs	8.88	7.17	6.58	6.26	5.94	5.67
Threatened tariffs	8.88	7.09	6.19	6.12	5.86	5.62
25% tariff on U.S.-China trade	8.88	6.92	5.34	5.24	5.49	5.46
Henan						
No tariffs	8.66	7.46	7.06	6.68	6.38	6.11
Actual tariffs	8.66	7.45	7.03	6.69	6.37	6.09
Threatened tariffs	8.66	7.37	6.64	6.55	6.29	6.04
25% tariff on U.S.-China trade	8.66	7.20	5.80	5.67	5.91	5.87
Hunan						
No tariffs	9.40	8.13	6.69	6.28	5.98	5.70
Actual tariffs	9.40	8.12	6.66	6.29	5.96	5.69
Threatened tariffs	9.40	8.03	6.28	6.15	5.88	5.64
25% tariff on U.S.-China trade	9.40	7.87	5.44	5.27	5.50	5.47
Jiangxi						
No tariffs	9.35	7.08	5.86	5.48	5.18	4.92
Actual tariffs	9.35	7.06	5.83	5.49	5.17	4.91
Threatened tariffs	9.35	6.98	5.44	5.35	5.09	4.86
25% tariff on U.S.-China trade	9.35	6.81	4.58	4.46	4.74	4.70
Shanxi						
No tariffs	7.76	8.57	8.23	7.72	7.35	7.03
Actual tariffs	7.76	8.55	8.20	7.73	7.33	7.01
Threatened tariffs	7.76	8.47	7.80	7.58	7.25	6.97
25% tariff on U.S.-China trade	7.76	8.30	6.95	6.70	6.88	6.81
Northeast						
Heilongjiang						
No tariffs	7.40	11.80	12.00	11.70	11.50	11.40
Actual tariffs	7.40	11.80	12.00	11.70	11.50	11.30
Threatened tariffs	7.40	11.80	11.60	11.40	11.40	11.30
25% tariff on U.S.-China trade	7.40	11.70	10.90	10.20	10.70	11.10
Jilin						
No tariffs	8.10	11.10	11.00	10.70	10.50	10.30
Actual tariffs	8.10	11.10	11.00	10.70	10.50	10.30
Threatened tariffs	8.10	11.10	10.60	10.40	10.30	10.30
25% tariff on U.S.-China trade	8.10	11.00	9.90	9.20	9.70	10.10
Liaoning						
No tariffs	7.30	11.20	11.40	11.10	10.90	10.80
Actual tariffs	7.30	11.10	11.40	11.10	10.90	10.70
Threatened tariffs	7.30	11.10	11.00	10.80	10.70	10.70
25% tariff on U.S.-China trade	7.30	11.00	10.20	9.60	10.10	10.50

Sources: NBS, Moody's Analytics

Trade War Impact for China's Provinces: Disposable Income

Nominal, % change

	2018	2019	2020	2021	2022	2023
West						
Chongqing						
No tariffs	9.09	7.43	6.74	6.51	6.37	6.25
Actual tariffs	9.09	7.43	6.71	6.51	6.36	6.23
Threatened tariffs	9.09	7.39	6.42	6.29	6.27	6.19
25% tariff on U.S.-China trade	9.09	7.30	5.78	5.43	5.83	6.07
Gansu						
No tariffs	10.10	9.50	9.20	8.90	8.70	8.60
Actual tariffs	10.10	9.50	9.10	8.90	8.70	8.50
Threatened tariffs	10.10	9.40	8.80	8.60	8.60	8.50
25% tariff on U.S.-China trade	10.10	9.30	8.20	7.80	8.10	8.40
Guangxi						
No tariffs	7.65	8.84	8.82	8.57	8.42	8.30
Actual tariffs	7.65	8.83	8.80	8.57	8.41	8.29
Threatened tariffs	7.65	8.80	8.51	8.34	8.32	8.25
25% tariff on U.S.-China trade	7.65	8.71	7.86	7.46	7.85	8.11
Guizhou						
No tariffs	10.50	9.30	9.10	8.80	8.70	8.60
Actual tariffs	10.50	9.30	9.10	8.80	8.70	8.50
Threatened tariffs	10.50	9.20	8.80	8.60	8.60	8.50
25% tariff on U.S.-China trade	10.50	9.10	8.10	7.70	8.10	8.40
Inner Mongolia						
No tariffs	8.60	10.60	11.90	11.60	11.40	11.30
Actual tariffs	8.60	10.60	11.90	11.60	11.40	11.30
Threatened tariffs	8.60	10.60	11.60	11.40	11.30	11.20
25% tariff on U.S.-China trade	8.60	10.50	10.90	10.50	10.90	11.10
Ningxia						
No tariffs	9.90	12.70	11.70	11.40	11.20	11.00
Actual tariffs	9.90	12.70	11.70	11.40	11.20	11.00
Threatened tariffs	9.90	12.70	11.40	11.10	11.10	11.00
25% tariff on U.S.-China trade	9.90	12.60	10.70	10.30	10.60	10.80
Qinghai						
No tariffs	7.90	11.40	10.20	9.90	9.70	9.60
Actual tariffs	7.90	11.40	10.20	9.90	9.70	9.50
Threatened tariffs	7.90	11.40	9.90	9.60	9.60	9.50
25% tariff on U.S.-China trade	7.90	11.30	9.20	8.80	9.10	9.40
Shaanxi						
No tariffs	9.80	10.30	9.80	9.50	9.30	9.20
Actual tariffs	9.80	10.30	9.80	9.50	9.30	9.20
Threatened tariffs	9.80	10.20	9.50	9.30	9.20	9.10
25% tariff on U.S.-China trade	9.80	10.20	8.80	8.40	8.80	9.00
Sichuan						
No tariffs	9.60	10.10	9.90	9.60	9.40	9.30
Actual tariffs	9.60	10.10	9.80	9.60	9.40	9.30
Threatened tariffs	9.60	10.00	9.50	9.40	9.30	9.20
25% tariff on U.S.-China trade	9.60	9.95	8.88	8.48	8.87	9.12
Tibet						
No tariffs	12.70	8.00	6.40	6.00	5.70	5.60
Actual tariffs	12.70	8.00	6.40	6.00	5.70	5.50
Threatened tariffs	12.70	8.00	6.10	5.70	5.60	5.50
25% tariff on U.S.-China trade	12.70	7.90	5.50	4.90	5.20	5.40
Xinjiang						
No tariffs	8.80	9.80	10.00	9.80	9.60	9.40
Actual tariffs	8.80	9.80	10.00	9.80	9.60	9.40
Threatened tariffs	8.83	9.81	9.72	9.53	9.49	9.39
25% tariff on U.S.-China trade	8.83	9.71	9.07	8.66	9.02	9.25
Yunnan						
No tariffs	10.20	8.80	8.70	8.40	8.20	8.10
Actual tariffs	10.20	8.80	8.60	8.40	8.20	8.10
Threatened tariffs	10.20	8.80	8.30	8.20	8.20	8.10
25% tariff on U.S.-China trade	10.20	8.70	7.70	7.30	7.70	7.90

Sources: NBS, Moody's Analytics

Trade War Impact for China's Provinces: Home Prices

% change

	2018	2019	2020	2021	2022	2023
East						
Beijing						
No tariffs	-3.57	4.96	6.58	5.79	4.23	3.47
Actual tariffs	-3.57	4.92	6.54	5.85	4.19	3.46
Threatened tariffs	-3.57	4.79	6.01	6.12	4.28	3.44
25% tariff on U.S.-China trade	-3.57	4.59	6.51	7.29	3.74	1.78
Fujian						
No tariffs	1.26	3.39	3.80	2.94	1.57	0.98
Actual tariffs	1.26	3.35	3.76	3.00	1.53	0.97
Threatened tariffs	1.26	3.22	3.19	3.21	1.63	0.99
25% tariff on U.S.-China trade	1.26	3.03	3.53	4.09	1.14	-0.45
Guangdong						
No tariffs	4.38	5.97	4.84	3.67	2.20	1.59
Actual tariffs	4.38	5.93	4.79	3.73	2.16	1.57
Threatened tariffs	4.38	5.80	4.25	3.97	2.26	1.56
25% tariff on U.S.-China trade	4.38	5.60	4.69	5.01	1.75	-0.01
Hainan						
No tariffs	7.90	16.70	8.90	6.00	4.10	3.30
Actual tariffs	7.90	16.60	8.80	6.10	4.10	3.30
Threatened tariffs	7.90	16.50	8.30	6.30	4.20	3.30
25% tariff on U.S.-China trade	7.90	16.30	8.70	7.40	3.60	1.70
Hebei						
No tariffs	3.70	8.29	6.82	5.44	3.86	3.16
Actual tariffs	3.70	8.25	6.77	5.50	3.82	3.15
Threatened tariffs	3.70	8.11	6.21	5.74	3.92	3.15
25% tariff on U.S.-China trade	3.70	7.90	6.63	6.75	3.41	1.60
Jiangsu						
No tariffs	4.19	6.81	6.19	5.07	3.54	2.84
Actual tariffs	4.19	6.77	6.15	5.13	3.50	2.83
Threatened tariffs	4.19	6.63	5.58	5.36	3.60	2.84
25% tariff on U.S.-China trade	4.19	6.43	5.99	6.34	3.09	1.30
Shandong						
No tariffs	9.20	11.70	7.70	5.80	4.10	3.30
Actual tariffs	9.20	11.60	7.70	5.90	4.10	3.30
Threatened tariffs	9.20	11.50	7.10	6.10	4.20	3.30
25% tariff on U.S.-China trade	9.20	11.20	7.60	7.20	3.70	1.80
Shanghai						
No tariffs	-1.96	1.31	5.05	4.91	3.60	2.94
Actual tariffs	-1.96	1.27	5.00	4.97	3.56	2.92
Threatened tariffs	-1.96	1.15	4.44	5.19	3.66	2.94
25% tariff on U.S.-China trade	-1.96	0.95	4.82	6.15	3.16	1.43
Tianjin						
No tariffs	3.46	7.95	7.92	6.89	5.23	4.43
Actual tariffs	3.46	7.91	7.87	6.95	5.19	4.41
Threatened tariffs	3.46	7.77	7.32	7.20	5.29	4.40
25% tariff on U.S.-China trade	3.46	7.56	7.78	8.30	4.74	2.79
Zhejiang						
No tariffs	5.27	4.70	2.58	1.29	-0.12	-0.68
Actual tariffs	5.27	4.66	2.54	1.35	-0.16	-0.70
Threatened tariffs	5.27	4.53	2.00	1.58	-0.06	-0.69
25% tariff on U.S.-China trade	5.27	4.33	2.39	2.53	-0.55	-2.20

Sources: NBS, Moody's Analytics

Trade War Impact for China's Provinces: Home Prices

% change

	2018	2019	2020	2021	2022	2023
Center						
Anhui						
No tariffs	2.81	6.16	5.53	5.01	4.68	4.48
Actual tariffs	2.81	6.12	5.48	5.05	4.64	4.46
Threatened tariffs	2.81	5.99	4.84	5.07	4.66	4.52
25% tariff on U.S.-China trade	2.81	5.79	3.84	4.25	4.41	4.37
Hubei						
No tariffs	6.90	7.90	5.37	4.66	4.28	4.06
Actual tariffs	6.90	7.86	5.33	4.70	4.24	4.05
Threatened tariffs	6.90	7.73	4.67	4.71	4.26	4.12
25% tariff on U.S.-China trade	6.90	7.53	3.63	3.82	4.04	4.03
Henan						
No tariffs	3.22	6.48	5.57	5.05	4.62	4.38
Actual tariffs	3.22	6.44	5.53	5.10	4.58	4.37
Threatened tariffs	3.22	6.31	4.94	5.17	4.59	4.36
25% tariff on U.S.-China trade	3.22	6.11	4.13	4.59	4.28	3.99
Hunan						
No tariffs	6.49	8.99	5.67	4.82	4.35	4.12
Actual tariffs	6.49	8.95	5.63	4.87	4.32	4.10
Threatened tariffs	6.49	8.81	5.05	4.94	4.32	4.09
25% tariff on U.S.-China trade	6.49	8.61	4.25	4.39	4.00	3.70
Jiangxi						
No tariffs	4.67	7.39	4.91	4.23	3.84	3.63
Actual tariffs	4.67	7.35	4.87	4.27	3.80	3.62
Threatened tariffs	4.67	7.22	4.24	4.31	3.82	3.65
25% tariff on U.S.-China trade	4.67	7.01	3.31	3.56	3.55	3.43
Shanxi						
No tariffs	9.36	8.37	6.27	5.61	5.22	4.99
Actual tariffs	9.36	8.33	6.23	5.65	5.18	4.98
Threatened tariffs	9.36	8.20	5.56	5.65	5.21	5.05
25% tariff on U.S.-China trade	9.36	7.99	4.49	4.74	4.98	5.00
Northeast						
Heilongjiang						
No tariffs	8.43	9.29	5.62	4.62	4.42	4.31
Actual tariffs	8.43	9.24	5.55	4.68	4.38	4.28
Threatened tariffs	8.43	9.10	4.75	4.75	4.52	4.41
25% tariff on U.S.-China trade	8.43	8.88	3.45	3.63	4.68	4.53
Jilin						
No tariffs	6.71	7.70	5.15	4.37	4.18	4.06
Actual tariffs	6.71	7.64	5.07	4.43	4.14	4.03
Threatened tariffs	6.71	7.51	4.31	4.53	4.28	4.13
25% tariff on U.S.-China trade	6.71	7.30	3.11	3.57	4.42	4.12
Liaoning						
No tariffs	6.05	7.36	4.95	4.17	4.19	4.16
Actual tariffs	6.05	7.31	4.88	4.23	4.15	4.13
Threatened tariffs	6.05	7.18	3.93	4.14	4.30	4.41
25% tariff on U.S.-China trade	6.05	6.97	2.20	2.30	4.55	5.13

Sources: NBS, Moody's Analytics

Trade War Impact for China's Provinces: Home Prices

% change

	2018	2019	2020	2021	2022	2023
West						
Chongqing						
No tariffs	7.74	7.79	3.88	3.12	2.75	2.55
Actual tariffs	7.74	7.73	3.81	3.19	2.71	2.53
Threatened tariffs	7.74	7.6	3.04	3.34	2.9	2.63
25% tariff on U.S.-China trade	7.74	7.38	1.95	2.8	3.23	2.28
Gansu						
No tariffs	5.64	6.41	3.96	3.38	3.05	2.87
Actual tariffs	5.64	6.36	3.88	3.44	3.02	2.84
Threatened tariffs	5.64	6.23	3.08	3.57	3.21	2.98
25% tariff on U.S.-China trade	5.64	6.02	1.89	2.89	3.57	2.74
Guangxi						
No tariffs	4.57	4.69	3.7	3.33	3.01	2.83
Actual tariffs	4.57	4.64	3.62	3.39	2.97	2.8
Threatened tariffs	4.57	4.51	2.85	3.54	3.16	2.91
25% tariff on U.S.-China trade	4.57	4.3	1.75	2.98	3.49	2.57
Guizhou						
No tariffs	7.63	8.41	4.21	3.39	3.06	2.88
Actual tariffs	7.63	8.35	4.13	3.45	3.02	2.86
Threatened tariffs	7.63	8.22	3.31	3.55	3.22	3.01
25% tariff on U.S.-China trade	7.63	8	2.06	2.78	3.6	2.86
Inner Mongolia						
No tariffs	6.2	8.98	4.59	3.75	3.43	3.25
Actual tariffs	6.2	8.92	4.52	3.81	3.39	3.22
Threatened tariffs	6.2	8.79	3.68	3.91	3.59	3.39
25% tariff on U.S.-China trade	6.2	8.57	2.39	3.09	3.98	3.28
Ningxia						
No tariffs	3.19	5.89	4.27	3.79	3.44	3.24
Actual tariffs	3.19	5.84	4.2	3.86	3.4	3.22
Threatened tariffs	3.19	5.71	3.44	4.03	3.59	3.31
25% tariff on U.S.-China trade	3.19	5.5	2.38	3.54	3.9	2.9
Qinghai						
No tariffs	4.03	5.54	3.8	3.32	3.15	3.02
Actual tariffs	4.03	5.49	3.72	3.38	3.11	2.99
Threatened tariffs	4.03	5.35	2.79	3.39	3.32	3.25
25% tariff on U.S.-China trade	4.03	5.14	1.23	2.15	3.82	3.53
Shaanxi						
No tariffs	10.7	9.9	4.4	3.5	3.1	3
Actual tariffs	10.7	9.8	4.3	3.5	3.1	2.9
Threatened tariffs	10.7	9.7	3.5	3.6	3.3	3.1
25% tariff on U.S.-China trade	10.7	9.5	2.2	2.8	3.7	3
Sichuan						
No tariffs	5.93	7.84	4.3	3.54	3.18	2.98
Actual tariffs	5.93	7.79	4.22	3.6	3.14	2.96
Threatened tariffs	5.93	7.66	3.43	3.74	3.33	3.08
25% tariff on U.S.-China trade	5.93	7.44	2.28	3.12	3.68	2.8
Xinjiang						
No tariffs	13.8	5.8	3.8	3.5	3.1	2.9
Actual tariffs	13.8	5.8	3.7	3.5	3.1	2.9
Threatened tariffs	13.8	5.7	3	3.7	3.3	3
25% tariff on U.S.-China trade	13.8	5.4	2	3.3	3.6	2.6
Yunnan						
No tariffs	7.58	9.1	4.25	3.33	3.01	2.83
Actual tariffs	7.58	9.05	4.17	3.39	2.97	2.81
Threatened tariffs	7.58	8.91	3.33	3.48	3.17	2.98
25% tariff on U.S.-China trade	7.58	8.69	2.03	2.63	3.57	2.89

Sources: NBS, Moody's Analytics

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