

Abstract

This study analyzes the trade war between the United States (US) and China using the GTAP (Global Trade Analysis Project) CGE (Computable General Equilibrium) model. Five scenarios focused on economic decoupling are analyzed: 1. Mutual tariff levels increased to 25%, 2. Mutual tariff levels increased to 45%, 3. Bilateral export levels decreased by 25%, 4. Bilateral export levels decreased by 45%, and 5. Trade efficiency decreased by 10%. The analysis shows both the US and China's consumer welfare and GDP decreased across all scenarios, with a larger decrease in China. In addition, when exports from China and the United States decrease, there is an increase in exports from the ASEAN region.

JEL Classification C68, F13, F11,
Keywords Trade war, CGE, General Equilibrium

Title Measuring the Welfare Effects of the US-China
Trade War Using a Computable General Equilibrium Model

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