

# Understanding Our Economy

## U.S.-China Trade Competition Is Head-To-Head

by Alan Tonelson

(NAPSA)—Although China is now the world's biggest exporter to the United States, its defenders insist that Chinese competition can't possibly be responsible for much U.S. manufacturing job loss.



**Tonelson**

Most of its exports, they claim, are low-tech products like clothing and toys that advanced countries like the United States stopped making competitively decades ago.

Yet the facts completely belie these claims. Official U.S. trade data make exact comparisons difficult, but in 2000, these statistics show, more than 5.6 million Americans were employed in manufacturing industries that faced direct Chinese competition—nearly one-third of all manufacturing workers. But only about one-third of these workers were employed in the lowest-tech sectors that Americans allegedly can afford to neglect. The rest worked in industries ranging from machine tools to semiconductor to pharmaceuticals. Moreover, the data make clear, millions more U.S. workers were employed in broad industry groups, like industrial machinery, thoroughly penetrated by Chinese imports.

The latest August/September 2003 data show that 30.4 percent of a much smaller U.S. manufacturing workforce still faces direct Chinese competition. The share of

these Americans employed in the so-called third world industries actually fell slightly. And Chinese imports continue spreading through broad industry groups that still generate millions more American jobs.

Indeed, U.S. imports from China are skyrocketing in some of the most technologically sophisticated areas of the economy—e.g., aircraft engines and engine parts, telecommunications switch gear, and search, detection, and navigation devices. Further, U.S. imports of Chinese semiconductors, computers and computer parts remain at formidable levels.

These trends should not surprise China's defenders. After all, the U.S. multinational companies among them are investing big time in China in precisely those industries. And their aim is to supply the only market with consumers wealthy enough to support such operations—America's, not China's.

It may one day be true that U.S. imports from China rarely compete with U.S. industries and workers, but present trends show that this would become likeliest because most U.S. industries have disappeared.

*Alan Tonelson, a columnist for the Tradealert.org, is a Research Fellow at the U.S. Business and Industry Council Educational Foundation. His recent book on globalization, The Race to the Bottom, was issued in paperback last fall by Westview Press.*