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### **Abstract**

## **A Tariffing Thought: Imposing Tariffs on US Apparel Imports from China**

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Using a source-differentiated Almost Ideal Demand System (SDAIDS) model, this paper analyzes US demand for apparel imports and estimates effects of a 15% tariff increase on clothing imports from China. Our welfare analysis estimated a consumer surplus loss of about \$348 million per year. Our findings show that China can improve its market position by lowering their prices, or conversely, that tariffs will disproportionately reduce Chinese market share. However, other Asian apparel exporting countries, especially Vietnam and Bangladesh, are strong competitors that could represent a challenge to the current market position of China.

Keywords: AIDS model, apparel/clothing imports, source-differentiated, tariff