

The Trade Effects of the US Export Control Regulations

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This study empirically investigates the trade effects of US export regulations. In particular, we focus on those regulations on exports of integrated circuits (ICs) and IC-manufacturing equipment (IME). To this end, we employ the monthly trade data from January 2019 to March 2023. Our findings from gravity estimations can be summarized as follows. First, the changes in US export regulations significantly decreased US exports to China. In particular, the exports of main IC products (i.e., processors and other ICs) decreased after US tightening export regulations in October 2022. This tightening also significantly decreases the US exports of IME by reducing export unit prices. Second, tightening the foreign direct product rule did not change exports of a main IC product from Taiwan (i.e., other ICs) to China but significantly decreased those from Korea (i.e., memories). Third, these regulations decreased the exports of IME from the Netherlands to China significantly, while Japanese exports of IME to China did not change significantly.