

APPENDIX TABLE
DESCRIPTIVE STATISTICS FOR HONG KONG'S TRADE AND LABOR DATA

| A. Major Variables Changes, 1990-7: | Whole Sector | | High Capital-Intensive | | Low Capital-Intensive | |
|----------------------------------------|--------------|-------|------------------------|-------|-----------------------|-------|
| | Mean | SD | Mean | SD | Mean | SD |
| DLN(employment) | -0.134 | 0.165 | -0.060 | 0.101 | -0.190 | 0.182 |
| DLN(wage) | -0.044 | 0.232 | 0.052 | 0.261 | -0.114 | 0.179 |
| DLN(GDP) | -0.048 | 0.333 | 0.025 | 0.421 | -0.104 | 0.234 |
| DLN(output) | 0.104 | 0.033 | 0.104 | 0.033 | 0.104 | 0.033 |
| DLN(capital stock) | -0.143 | 0.884 | 0.002 | 1.130 | -0.245 | 0.645 |
| DLN(unemployment rate) | 0.129 | 0.587 | 0.129 | 0.589 | 0.129 | 0.588 |
| D(inflation) | 0.082 | 0.016 | 0.082 | 0.016 | 0.082 | 0.016 |
| D(import share) | 0.020 | 0.038 | 0.009 | 0.040 | 0.028 | 0.034 |

| B. Correlations, 1990-7: | Whole Sector | | | | | | | |
|--------------------------|--------------------------|---------------|--------------|-----------------|---------------------------|---------------------------------|------------------|------------------------|
| | DLN (employ- ment) | DLN (wage) | DLN (GDP) | DLN (output) | DLN (capital stock) | DLN (unemploy- ment rate) | D (inflation) | D (import share) |
| DLN(employment) | 1.000 | | | | | | | |
| DLN(wage) | 0.706 | 1.000 | | | | | | |
| DLN(GDP) | -0.020 | 0.052 | 1.000 | | | | | |
| DLN(output) | 0.482 | 0.842 | 0.029 | 1.000 | | | | |
| DLN(capital stock) | 0.157 | 0.266 | -0.041 | 0.382 | 1.000 | | | |
| DLN(unemployment rate) | -0.114 | -0.080 | -0.328 | 0.014 | 0.065 | 1.000 | | |
| D(inflation) | -0.114 | -0.079 | -0.344 | 0.027 | 0.090 | 0.901 | 1.000 | |
| D(import share) | -0.390 | -0.535 | 0.010 | -0.559 | -0.175 | 0.016 | 0.028 | 1.000 |

Note: DLN(.)=change in logarithm in variable.

APPENDIX TABLE
DESCRIPTIVE STATISTICS FOR S. KOREA'S TRADE AND LABOR DATA

| A. Major Variables Changes, 1980-97: | Whole Sector | | High Capital-Intensive | | Low Capital-Intensive | |
|-----------------------------------------|--------------|-------|------------------------|-------|-----------------------|-------|
| | Mean | SD | Mean | SD | Mean | SD |
| DLN(employment) | 0.009 | 0.143 | 0.021 | 0.087 | -0.004 | 0.185 |
| DLN(wage) | 0.084 | 0.189 | 0.092 | 0.161 | 0.074 | 0.214 |
| DLN(GDP) | 0.111 | 0.160 | 0.118 | 0.143 | 0.103 | 0.177 |
| DLN(output) | 0.094 | 0.095 | 0.094 | 0.096 | 0.094 | 0.096 |
| DLN(capital stock) | 0.095 | 0.486 | 0.111 | 0.558 | 0.078 | 0.396 |
| DLN(unemployment rate) | -0.153 | 0.354 | -0.153 | 0.354 | -0.153 | 0.354 |
| D(inflation) | 0.059 | 0.039 | 0.059 | 0.039 | 0.059 | 0.039 |
| D(import share) | -0.001 | 0.028 | -0.001 | 0.031 | -0.001 | 0.024 |

| B. Correlations, 1980-97: | Whole Sector | | | | | | | |
|---------------------------|--------------------------|---------------|--------------|-----------------|---------------------------|---------------------------------|------------------|------------------------|
| | DLN (employ- ment) | DLN (wage) | DLN (GDP) | DLN (output) | DLN (capital stock) | DLN (unemploy- ment rate) | D (inflation) | D (import share) |
| DLN(employment) | 1.000 | | | | | | | |
| DLN(wage) | 0.890 | 1.000 | | | | | | |
| DLN(GDP) | 0.183 | 0.293 | 1.000 | | | | | |
| DLN(output) | 0.792 | 0.808 | 0.348 | 1.000 | | | | |
| DLN(capital stock) | 0.263 | 0.293 | 0.237 | 0.315 | 1.000 | | | |
| DLN(unemployment rate) | -0.145 | -0.191 | -0.695 | -0.235 | -0.097 | 1.000 | | |
| D(inflation) | -0.214 | -0.254 | -0.322 | -0.196 | -0.060 | -0.089 | 1.000 | |
| D(import share) | -0.210 | -0.188 | 0.062 | -0.267 | -0.008 | -0.087 | 0.090 | 1.000 |

Note: DLN(.)=change in logarithm in variable.

APPENDIX TABLE
DESCRIPTIVE STATISTICS FOR SINGAPORE'S TRADE AND LABOR DATA

| A. Major Variables Changes, 1980-97: | Whole Sector | | High Capital-Intensive | | Low Capital-Intensive | |
|-----------------------------------------|--------------|-------|------------------------|-------|-----------------------|-------|
| | Mean | SD | Mean | SD | Mean | SD |
| DLN(employment) | -0.008 | 0.131 | 0.003 | 0.106 | -0.013 | 0.141 |
| DLN(wage) | 0.104 | 0.140 | 0.122 | 0.127 | 0.095 | 0.146 |
| DLN(GDP) | 0.068 | 0.194 | 0.091 | 0.176 | 0.057 | 0.201 |
| DLN(output) | 0.118 | 0.052 | 0.118 | 0.052 | 0.118 | 0.052 |
| DLN(capital stock) | 0.104 | 0.552 | 0.140 | 0.616 | 0.087 | 0.520 |
| DLN(unemployment rate) | -0.035 | 0.978 | -0.035 | 0.980 | -0.035 | 0.978 |
| D(inflation) | 0.023 | 0.019 | 0.023 | 0.019 | 0.023 | 0.019 |
| D(import share) | 0.004 | 0.041 | 0.002 | 0.045 | 0.004 | 0.039 |

| B. Correlations, 1980-97: | Whole Sector | | | | | | | |
|---------------------------|--------------------------|---------------|--------------|-----------------|---------------------------|---------------------------------|------------------|------------------------|
| | DLN (employ- ment) | DLN (wage) | DLN (GDP) | DLN (output) | DLN (capital stock) | DLN (unemploy- ment rate) | D (inflation) | D (import share) |
| DLN(employment) | 1.000 | | | | | | | |
| DLN(wage) | 0.844 | 1.000 | | | | | | |
| DLN(GDP) | 0.199 | 0.165 | 1.000 | | | | | |
| DLN(output) | 0.686 | 0.738 | 0.103 | 1.000 | | | | |
| DLN(capital stock) | 0.335 | 0.315 | 0.216 | 0.309 | 1.000 | | | |
| DLN(unemployment rate) | -0.258 | -0.054 | -0.653 | -0.032 | -0.235 | 1.000 | | |
| D(inflation) | 0.043 | 0.097 | 0.503 | -0.095 | 0.053 | -0.319 | 1.000 | |
| D(import share) | -0.474 | -0.478 | -0.048 | -0.628 | -0.174 | 0.050 | -0.037 | 1.000 |

Note: DLN(.)=change in logarithm in variable.

APPENDIX TABLE
DESCRIPTIVE STATISTICS FOR TAIWAN'S TRADE AND LABOR DATA

| A. Major Variables Changes, 1980-97: | Whole Sector | | High Capital-Intensive | | Low Capital-Intensive | |
|-----------------------------------------|--------------|-------|------------------------|-------|-----------------------|-------|
| | Mean | SD | Mean | SD | Mean | SD |
| DLN(employment) | 0.003 | 0.065 | 0.008 | 0.055 | 0.001 | 0.071 |
| DLN(wage) | 0.102 | 0.123 | 0.111 | 0.121 | 0.097 | 0.124 |
| DLN(GDP) | 0.081 | 0.144 | 0.082 | 0.129 | 0.081 | 0.153 |
| DLN(output) | 0.115 | 0.087 | 0.115 | 0.087 | 0.115 | 0.087 |
| DLN(capital stock) | 0.104 | 0.153 | 0.109 | 0.145 | 0.102 | 0.158 |
| DLN(unemployment rate) | 0.088 | 0.384 | 0.088 | 0.385 | 0.088 | 0.385 |
| D(inflation) | 0.031 | 0.034 | 0.031 | 0.034 | 0.031 | 0.034 |
| D(import share) | 0.003 | 0.047 | 0.000 | 0.069 | 0.005 | 0.026 |

| B. Correlations, 1980-97: | Whole Sector | | | | | | | |
|---------------------------|--------------------------|---------------|--------------|-----------------|---------------------------|---------------------------------|------------------|------------------------|
| | DLN (employ- ment) | DLN (wage) | DLN (GDP) | DLN (output) | DLN (capital stock) | DLN (unemploy- ment rate) | D (inflation) | D (import share) |
| DLN(employment) | 1.000 | | | | | | | |
| DLN(wage) | 0.776 | 1.000 | | | | | | |
| DLN(GDP) | 0.323 | 0.394 | 1.000 | | | | | |
| DLN(output) | 0.496 | 0.466 | 0.392 | 1.000 | | | | |
| DLN(capital stock) | 0.189 | 0.264 | 0.148 | 0.352 | 1.000 | | | |
| DLN(unemployment rate) | -0.105 | -0.251 | -0.732 | -0.195 | -0.029 | 1.000 | | |
| D(inflation) | -0.391 | -0.386 | -0.558 | -0.348 | -0.197 | 0.217 | 1.000 | |
| D(import share) | -0.093 | -0.080 | -0.010 | -0.200 | -0.066 | -0.109 | 0.083 | 1.000 |

Note: DLN(.)=change in logarithm in variable.

TABLE 1
HONG KONG (a) OLS ESTIMATES 1990-7

| Variables | All Industries | | | | High Capital-Intensive | | | | Low Capital-Intensive | | | |
|-----------------------------|-----------------------|-----------------------|----------------------|----------------------|------------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|---------------------|---------------------|
| | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage |
| Real GDP | 0.224 (0.797) | 0.636 (0.776) | 0.324 (0.999) | 0.500 (1.035) | 1.079 (0.731) | 1.489* (0.756) | 1.723 (1.558) | 1.639 (1.695) | 0.285 (1.240) | 0.108 (1.257) | 0.890 (1.154) | 1.003 (1.123) |
| Real Capital Stock | 0.035** (0.015) | 0.021 (0.014) | 0.056*** (0.018) | 0.039** (0.018) | 0.011 (0.011) | 0.012 (0.011) | 0.017 (0.023) | 0.007 (0.024) | 0.070** (0.031) | 0.034 (0.030) | 1.107*** (0.029) | 0.069** (0.027) |
| Aggregate Unemployment Rate | 0.002 (0.053) | 0.016 (0.060) | -0.023 (0.066) | -0.032 (0.080) | 0.061 (0.048) | 0.093 (0.058) | 0.077 (0.102) | 0.059 (0.130) | -0.001 (0.082) | -0.038 (0.098) | 0.027 (0.076) | 0.022 (0.087) |
| Inflation | -1.504 (1.131) | -1.423 (1.801) | 0.019 (1.416) | 0.916 (2.401) | -2.152** (1.020) | -3.026* (1.729) | -1.301 (2.175) | -0.192 (3.874) | -1.991 (1.790) | -0.235 (2.917) | -1.765 (1.666) | -1.232 (2.606) |
| Import Share | -1.511*** (0.344) | -0.932** (0.367) | -3.308*** (0.430) | -3.250*** (0.489) | -1.200*** (0.313) | -0.918*** (0.340) | -5.081*** (0.667) | -5.866*** (0.762) | -1.148** (0.577) | -1.063* (0.612) | -1.194** (0.536) | -1.138** (0.547) |
| Obrvation | 145 | 145 | 145 | 145 | 60 | 60 | 60 | 60 | 85 | 85 | 85 | 85 |
| R-squared | 0.519 | 0.682 | 0.402 | 0.552 | 0.482 | 0.621 | 0.575 | 0.657 | 0.582 | 0.696 | 0.443 | 0.627 |
| FE | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes |
| Hausman Specification Test | 19.35 | 0.62 | 59.13 | 0.15 | 14.71 | 7.29 | 58.12 | 59.26 | 1.24 | 0.01 | 1.12 | 0.22 |
| [p-value] | 0.000 | 0.431 | 0.000 | 0.704 | 0.000 | 0.010 | 0.000 | 0.000 | 0.269 | 0.936 | 0.293 | 0.638 |

Standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%.

TABLE 1
HONG KONG (b) 2SLS ESTIMATES 1990-7

| Variables | All Industries | | | | High Capital-Intensive | | | | Low Capital-Intensive | | | |
|-----------------------------|-----------------------|-----------------------|---------------------|---------------------|------------------------|-----------------------|---------------------|---------------------|-----------------------|-----------------------|----------------------|---------------------|
| | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage |
| Real GDP | 0.226 (0.859) | 0.998 (0.967) | 1.116 (1.209) | 1.405 (1.363) | 1.081 (0.732) | 1.507* (0.768) | 1.901 (2.553) | 1.940 (2.045) | 1.377 (1.455) | 1.424 (1.575) | 1.965 (1.364) | 2.206 (1.412) |
| Real Capital Stock | 0.035* (0.018) | 0.029 (0.019) | 0.083*** (0.026) | 0.060** (0.027) | 0.012 (0.013) | 0.014 (0.016) | 0.069 (0.046) | 0.040 (0.044) | 0.092** (0.035) | 0.056 (0.035) | 0.129*** (0.033) | 0.089*** (0.032) |
| Aggregate Unemployment Rate | 0.002 (0.056) | 0.045 (0.076) | 0.023 (0.078) | 0.040 (0.107) | 0.061 (0.049) | 0.093 (0.058) | 0.027 (0.170) | 0.067 (0.155) | 0.079 (0.098) | 0.074 (0.126) | 0.105 (0.092) | 0.124 (0.113) |
| Inflation | -1.509 (1.138) | -2.486 (2.452) | -1.661 (1.855) | -1.737 (3.456) | -2.158** (1.025) | -3.121* (1.840) | -1.877 (3.576) | -1.762 (4.897) | -4.198* (2.260) | -3.783 (3.815) | -3.938* (2.119) | -4.477 (3.420) |
| Import Share | -1.505*** (0.107) | -1.053** (0.388) | -1.696** (0.558) | -1.057** (0.569) | -1.131*** (0.019) | -0.718** (0.334) | -2.544** (0.552) | -1.332** (0.557) | -1.007** (0.414) | -0.865*** (0.248) | -0.788*** (0.170) | -0.754** (0.268) |
| Obrvation | 145 | 145 | 145 | 145 | 60 | 60 | 60 | 60 | 85 | 85 | 85 | 85 |
| FE | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes |
| GMM | 12.031 | 11.202 | 16.190 | 18.526 | 12.419 | 5.584 | 9.943 | 9.142 | 25.100 | 17.503 | 26.158 | 29.351 |
| [p-value] | 0.212 | 0.262 | 0.063 | 0.030 | 0.191 | 0.781 | 0.355 | 0.424 | 0.002 | 0.041 | 0.002 | 0.001 |

Standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%.

TABLE 1
HONG KONG (b) 2SLS ESTIMATES 1990-7 1ST STAGE

| Variables | All Industries | | High Capital-Intensive | | Low Capital-Intensive | |
|-----------------------------|----------------------|----------------------|------------------------|----------------------|-----------------------|---------------------|
| | (1) | (2) | (1) | (2) | (1) | (2) |
| | Import Share | | Import Share | | Import Share | |
| Real GDP | -0.258 (0.199) | -0.326* (0.196) | 0.090 (0.337) | 0.032 (0.361) | -0.465** (0.222) | -0.503** (0.227) |
| Real Capital Stock | -0.012*** (0.004) | -0.011*** (0.003) | -0.011** (0.004) | -0.011** (0.004) | -0.014*** (0.005) | -0.013** (0.005) |
| Aggregate Unemployment Rate | -0.015 (0.014) | -0.032* (0.016) | 0.018 (0.023) | 0.005 (0.030) | -0.039** (0.015) | -0.048** (0.019) |
| Inflation | 0.653** (0.281) | 1.066** (0.481) | 0.005 (0.466) | 0.197 (0.871) | 1.005*** (0.315) | 1.361** (0.567) |
| US IV PPI | -0.469** (0.215) | -0.368*** (0.107) | -0.542* (0.348) | -0.500*** (0.050) | -0.073*** (0.002) | 0.053* (0.044) |
| Japan IV PPI | -0.337** (0.165) | -0.157* (0.116) | -0.245*** (0.021) | -0.107*** (0.002) | -0.007** (0.002) | -0.008** (0.003) |
| Observation | 145 | 145 | 60 | 60 | 85 | 85 |
| R-squared | 0.343 | 0.532 | 0.177 | 0.358 | 0.613 | 0.691 |
| FE | No | Yes | No | Yes | No | Yes |

Standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%.

TABLE 1
S. KOREA (a) OLS ESTIMATES 1980-97

| Variables | All Industries | | | | High Capital-Intensive | | | | Low Capital-Intensive | | | |
|-----------------------------|------------------------|------------------------|----------------------|----------------------|------------------------|------------------------|----------------------|---------------------|------------------------|------------------------|----------------------|----------------------|
| | (1) Employ- ment | (2) Employ- ment | (3) Wage | (4) Wage | (1) Employ- ment | (2) Employ- ment | (3) Wage | (4) Wage | (1) Employ- ment | (2) Employ- ment | (3) Wage | (4) Wage |
| Real GDP | 0.044 (0.065) | -0.070 (0.099) | 1.090*** (0.065) | 1.238*** (0.100) | 0.223*** (0.056) | 0.112 (0.083) | 1.235*** (0.067) | 1.393*** (0.100) | -0.113 (0.109) | -0.196 (0.173) | 0.957*** (0.102) | 1.127*** (0.162) |
| Real Capital Stock | 0.073*** (0.014) | 0.071*** (0.014) | 0.071*** (0.014) | 0.066*** (0.014) | 0.023** (0.010) | 0.024** (0.010) | 0.015 (0.012) | 0.013 (0.012) | 0.164*** (0.029) | 0.159*** (0.030) | 0.178*** (0.027) | 0.169*** (0.028) |
| Aggregate Unemployment Rate | -0.062*** (0.022) | -0.084*** (0.026) | -0.033 (0.022) | -0.007 (0.026) | -0.024 (0.019) | -0.046** (0.022) | -0.006 (0.023) | 0.022 (0.026) | -0.063* (0.037) | -0.081* (0.045) | -0.024 (0.035) | 0.007 (0.042) |
| Inflation | -0.281*** (0.108) | -0.580*** (0.216) | -0.474*** (0.108) | -0.121 (0.217) | -0.171* (0.093) | -0.459** (0.179) | -0.387*** (0.112) | -0.011 (0.216) | -0.345* (0.182) | -0.571 (0.374) | -0.516*** (0.170) | -0.119 (0.349) |
| Import Share | -1.428*** (0.228) | -1.276*** (0.238) | -1.414*** (0.228) | -1.343*** (0.238) | -0.400** (0.178) | -0.258 (0.177) | -0.493** (0.214) | -0.380* (0.214) | -2.952*** (0.445) | -2.950*** (0.485) | -2.752*** (0.416) | -2.913*** (0.454) |
| Obrvation | 421 | 421 | 421 | 421 | 217 | 217 | 217 | 217 | 204 | 204 | 204 | 204 |
| R-squared | 0.183 | 0.231 | 0.606 | 0.627 | 0.200 | 0.294 | 0.737 | 0.765 | 0.323 | 0.347 | 0.606 | 0.621 |
| FE | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes |
| Hausman Specification Test | 39.27 | 28.83 | 38.45 | 32.46 | 5.06 | 2.13 | 5.32 | 3.16 | 43.96 | 36.98 | 43.68 | 41.23 |
| [p-value] | 0.000 | 0.000 | 0.000 | 0.000 | 0.026 | 0.146 | 0.022 | 0.077 | 0.000 | 0.000 | 0.000 | 0.000 |

Standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%.

TABLE 1
S. KOREA (b) 2SLS ESTIMATES 1980-97

| Variables | All Industries | | | | High Capital-Intensive | | | | Low Capital-Intensive | | | |
|-----------------------------|-----------------------|-----------------------|----------------------|----------------------|------------------------|-----------------------|----------------------|---------------------|-----------------------|-----------------------|----------------------|---------------------|
| | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage |
| Real GDP | 0.030 (0.069) | -0.110 (0.112) | 1.070*** (0.073) | 1.215*** (0.110) | 0.227*** (0.059) | 0.112 (0.083) | 1.240*** (0.071) | 1.393*** (0.100) | -0.061 (0.131) | -0.145 (0.250) | 0.972*** (0.117) | 1.251*** (0.242) |
| Real Capital Stock | 0.078*** (0.015) | 0.074*** (0.015) | 0.077*** (0.016) | 0.068*** (0.015) | 0.024** (0.011) | 0.024** (0.010) | 0.015 (0.013) | 0.013 (0.012) | 0.147*** (0.037) | 0.153*** (0.036) | 0.174*** (0.033) | 0.155*** (0.035) |
| Aggregate Unemployment Rate | -0.053** (0.025) | 0.084*** (0.027) | -0.021 (0.026) | -0.006 (0.027) | -0.012 (0.022) | 0.047** (0.023) | 0.010 (0.027) | 0.021 (0.028) | -0.056 (0.040) | -0.072 (0.055) | -0.072 (0.036) | 0.028 (0.054) |
| Inflation | -0.238** (0.121) | -0.624*** (0.228) | -0.415*** (0.127) | -0.147 (0.224) | -0.132 (0.103) | -0.460** (0.179) | -0.338*** (0.124) | -0.012 (0.217) | -0.363* (0.193) | -0.496 (0.460) | -0.521*** (0.172) | 0.064 (0.447) |
| Import Share | -0.152*** (0.054) | -0.144* (0.132) | -0.696*** (0.161) | -0.666*** (0.130) | -0.403** (0.168) | -0.325* (0.157) | -0.524* (0.282) | -0.418** (0.168) | -5.068** (2.550) | -3.725** (1.763) | -3.333** (1.271) | -4.789* (2.681) |
| Obrvation | 421 | 421 | 421 | 421 | 217 | 217 | 217 | 217 | 204 | 204 | 204 | 204 |
| FE | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes |
| GMM | 6.525 | 3.262 | 5.696 | 6.042 | 4.802 | 8.694 | 11.151 | 15.193 | 1.493 | 1.741 | 4.142 | 2.449 |
| [p-value] | 0.258 | 0.660 | 0.337 | 0.302 | 0.440 | 0.122 | 0.048 | 0.010 | 0.914 | 0.884 | 0.529 | 0.784 |

Standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%.

TABLE 1
S. KOREA (b) 2SLS ESTIMATES 1980-97 1ST STAGE

| Variables | All Industries | | High Capital-Intensive | | Low Capital-Intensive | |
|-----------------------------|----------------------|----------------------|------------------------|---------------------|-----------------------|----------------------|
| | (1) | (2) | (1) | (2) | (1) | (2) |
| | Import Share | | Import Share | | Import Share | |
| Real GDP | 0.008 (0.016) | 0.057** (0.026) | -0.009 (0.024) | 0.038 (0.041) | 0.018 (0.020) | 0.067** (0.031) |
| Real Capital Stock | -0.004 (0.003) | -0.003 (0.003) | 0.002 (0.004) | 0.002 (0.004) | -0.011** (0.005) | -0.011** (0.005) |
| Aggregate Unemployment Rate | -0.007 (0.005) | -0.000 (0.006) | -0.019** (0.007) | -0.012 (0.009) | 0.003 (0.006) | 0.010 (0.007) |
| Inflation | -0.029 (0.026) | 0.053 (0.047) | -0.072* (0.039) | 0.001 (0.073) | 0.009 (0.032) | 0.109* (0.058) |
| US IV PPI | -0.176* (0.087) | -0.163* (0.095) | -0.266* (0.139) | -0.350** (0.156) | -0.062*** (0.010) | -0.032*** (0.011) |
| Japan IV PPI | -0.444*** (0.066) | -0.351*** (0.055) | -1.547** (0.615) | -1.611** (0.645) | -1.952*** (0.420) | -1.224** (0.424) |
| Obrvation | 421 | 421 | 217 | 217 | 204 | 204 |
| R-squared | 0.033 | 0.120 | 0.097 | 0.162 | 0.053 | 0.179 |
| FE | No | Yes | No | Yes | No | Yes |

Standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%.

TABLE 1
SINGAPORE (a) OLS ESTIMATES 1980-97

| Variables | All Industries | | | | High Capital-Intensive | | | | Low Capital-Intensive | | | |
|-----------------------------|-----------------------|-----------------------|----------------------|----------------------|------------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|----------------------|
| | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage |
| Real GDP | 0.093 (0.062) | 0.235** (0.099) | 0.863*** (0.066) | 0.888*** (0.105) | 0.074 (0.094) | 0.167 (0.155) | 0.823*** (0.108) | 0.703*** (0.178) | 0.107 (0.080) | 0.260** (0.125) | 0.885*** (0.082) | 0.970*** (0.130) |
| Real Capital Stock | 0.049*** (0.010) | 0.042*** (0.010) | 0.049*** (0.010) | 0.042*** (0.010) | 0.039*** (0.013) | 0.036*** (0.014) | 0.048*** (0.015) | 0.045*** (0.016) | 0.054*** (0.013) | 0.046*** (0.013) | 0.048*** (0.014) | 0.042*** (0.013) |
| Aggregate Unemployment Rate | -0.029*** (0.006) | -0.030*** (0.006) | -0.007 (0.006) | -0.009 (0.006) | -0.018** (0.009) | -0.018** (0.009) | 0.006 (0.010) | 0.005 (0.010) | -0.034*** (0.007) | -0.035*** (0.007) | -0.013* (0.007) | -0.014** (0.007) |
| Inflation | -0.727*** (0.274) | -0.579** (0.280) | 0.098 (0.289) | 0.113 (0.298) | -0.337 (0.411) | -0.236 (0.438) | 0.765 (0.473) | 0.622 (0.501) | -0.906** (0.350) | -0.746** (0.353) | -0.215 (0.361) | -0.129 (0.369) |
| Import Share | -1.547*** (0.126) | -1.417*** (0.127) | -1.524*** (0.132) | -1.412*** (0.135) | -1.098*** (0.172) | -1.035*** (0.181) | -1.237*** (0.198) | -1.195*** (0.207) | -1.796*** (0.169) | -1.633*** (0.170) | -1.680*** (0.174) | -1.529*** (0.178) |
| Obrvation | 423 | 423 | 423 | 423 | 134 | 134 | 134 | 134 | 289 | 289 | 289 | 289 |
| R-squared | 0.378 | 0.450 | 0.607 | 0.646 | 0.330 | 0.356 | 0.677 | 0.693 | 0.412 | 0.490 | 0.585 | 0.630 |
| FE | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes |
| Hausman Specification Test | 151.89 | 124.11 | 132.57 | 108.62 | 40.70 | 32.65 | 38.95 | 33.23 | 113.51 | 92.20 | 93.38 | 74.02 |
| [p-value] | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

Standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%.

TABLE 1
SINGAPORE (b) 2SLS ESTIMATES 1980-97

| Variables | All Industries | | | | High Capital-Intensive | | | | Low Capital-Intensive | | | |
|-----------------------------|-----------------------|-----------------------|---------------------|---------------------|------------------------|-----------------------|---------------------|---------------------|-----------------------|-----------------------|---------------------|---------------------|
| | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage |
| Real GDP | 0.063 (0.069) | 0.206* (0.109) | 0.820*** (0.074) | 0.854*** (0.118) | 0.045 (0.104) | 0.124 (0.177) | 0.775*** (0.128) | 0.649*** (0.207) | 0.080 (0.086) | 0.241* (0.132) | 0.858*** (0.088) | 0.950*** (0.139) |
| Real Capital Stock | 0.056*** (0.012) | 0.054*** (0.012) | 0.059*** (0.013) | 0.057*** (0.013) | 0.045*** (0.016) | 0.044*** (0.017) | 0.059*** (0.019) | 0.055*** (0.020) | 0.061*** (0.015) | 0.059*** (0.015) | 0.056*** (0.016) | 0.055*** (0.016) |
| Aggregate Unemployment Rate | -0.029*** (0.006) | -0.030*** (0.006) | -0.007 (0.006) | -0.008 (0.007) | -0.015 (0.010) | -0.015 (0.010) | 0.010 (0.012) | 0.010 (0.012) | -0.034*** (0.007) | -0.036*** (0.007) | -0.014* (0.008) | -0.016** (0.008) |
| Inflation | -0.680** (0.284) | -0.466 (0.311) | 0.164 (0.306) | 0.246 (0.336) | -0.279 (0.439) | -0.157 (0.493) | 0.865 (0.538) | 0.721 (0.575) | -0.868** (0.357) | -0.637* (0.379) | -0.178 (0.367) | -0.012 (0.397) |
| Import Share | -0.956* (0.517) | -0.311* (0.177) | -0.694* (0.456) | -0.115* (0.062) | -0.429 (0.766) | -0.051 (0.904) | -0.080 (0.938) | 0.034 (1.054) | -1.311** (0.536) | -0.670* (0.357) | -1.216** (0.551) | -0.502* (0.360) |
| Obrvation | 423 | 423 | 423 | 423 | 134 | 134 | 134 | 134 | 289 | 289 | 289 | 289 |
| FE | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes |
| GMM | 7.373 | 5.976 | 16.205 | 11.353 | 3.961 | 3.525 | 3.081 | 9.587 | 11.067 | 8.292 | 23.888 | 15.869 |
| [p-value] | 0.598 | 0.742 | 0.063 | 0.252 | 0.914 | 0.940 | 0.961 | 0.936 | 0.271 | 0.505 | 0.004 | 0.070 |

Standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%.

TABLE 1
SINGAPORE (b) 2SLS ESTIMATES 1980-97 1ST STAGE

| Variables | All Industries | | High Capital-Intensive | | Low Capital-Intensive | |
|-----------------------------|----------------------|----------------------|------------------------|-------------------|-----------------------|----------------------|
| | (1) | (2) | (1) | (2) | (1) | (2) |
| | Import Share | | Import Share | | Import Share | |
| Real GDP | 0.016 (0.027) | 0.017 (0.040) | 0.022 (0.057) | 0.062 (0.081) | 0.005 (0.031) | 0.001 (0.045) |
| Real Capital Stock | -0.014*** (0.004) | -0.012*** (0.004) | -0.009 (0.007) | -0.008 (0.007) | -0.017*** (0.004) | -0.016*** (0.004) |
| Aggregate Unemployment Rate | -0.003 (0.002) | -0.002 (0.002) | -0.006 (0.005) | -0.006 (0.005) | -0.001 (0.003) | -0.001 (0.003) |
| Inflation | 0.195 (0.135) | 0.191 (0.144) | -0.002 (0.270) | 0.071 (0.292) | 0.318** (0.159) | 0.274 (0.169) |
| US IV PPI | -0.372* (0.195) | -0.274** (0.111) | -0.208 (0.294) | -0.216 (0.323) | -0.610* (0.314) | -0.280* (0.147) |
| Japan IV PPI | -0.197** (0.083) | -0.225** (0.085) | -0.117 (0.140) | -0.130 (0.150) | -0.339*** (0.114) | -0.408*** (0.118) |
| Obrvation | 423 | 423 | 134 | 134 | 289 | 289 |
| R-squared | 0.096 | 0.169 | 0.073 | 0.136 | 0.153 | 0.229 |
| FE | No | Yes | No | Yes | No | Yes |

Standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%.

TABLE 1
TAIWAN (a) OLS ESTIMATES 1980-97

| Variables | All Industries | | | | High Capital-Intensive | | | | Low Capital-Intensive | | | |
|-----------------------------|------------------------|------------------------|----------------------|----------------------|------------------------|------------------------|---------------------|---------------------|------------------------|------------------------|----------------------|----------------------|
| | (1) Employ- ment | (2) Employ- ment | (3) Wage | (4) Wage | (1) Employ- ment | (2) Employ- ment | (3) Wage | (4) Wage | (1) Employ- ment | (2) Employ- ment | (3) Wage | (4) Wage |
| Real GDP | 0.142*** (0.044) | 0.009 (0.065) | 1.014*** (0.054) | 1.087*** (0.083) | 0.127** (0.063) | 0.007 (0.096) | 1.030*** (0.093) | 1.176*** (0.143) | 0.175*** (0.057) | 0.005 (0.083) | 1.027*** (0.063) | 1.025*** (0.096) |
| Real Capital Stock | 0.049* (0.027) | 0.009 (0.026) | 0.060* (0.034) | 0.009 (0.034) | -0.010 (0.042) | -0.026 (0.042) | -0.029 (0.061) | -0.044 (0.063) | 0.053 (0.034) | 0.013 (0.033) | 0.081** (0.038) | 0.028 (0.038) |
| Aggregate Unemployment Rate | 0.020* (0.011) | -0.003 (0.012) | 0.001 (0.013) | 0.008 (0.016) | 0.010 (0.015) | -0.009 (0.018) | -0.001 (0.022) | 0.020 (0.027) | 0.017 (0.014) | -0.010 (0.016) | -0.006 (0.016) | -0.008 (0.019) |
| Inflation | -1.034*** (0.178) | -1.638*** (0.219) | -0.878*** (0.218) | -0.891*** (0.281) | -0.249 (0.251) | -0.680** (0.334) | 0.034 (0.367) | 0.427 (0.499) | -1.335*** (0.238) | -2.112*** (0.278) | -1.285*** (0.266) | -1.615*** (0.324) |
| Import Share | -0.073 (0.073) | -0.027 (0.069) | -0.119 (0.090) | -0.056 (0.089) | 0.036 (0.071) | 0.052 (0.071) | -0.025 (0.104) | 0.002 (0.106) | -0.561*** (0.186) | -0.443** (0.175) | -0.490** (0.208) | -0.353* (0.204) |
| Obrvation | 315 | 315 | 315 | 315 | 120 | 120 | 120 | 120 | 195 | 195 | 195 | 195 |
| R-squared | 0.145 | 0.316 | 0.794 | 0.820 | 0.060 | 0.151 | 0.789 | 0.801 | 0.275 | 0.449 | 0.823 | 0.853 |
| FE | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes |
| Hausman Specification Test | 1.00 | 0.15 | 1.73 | 0.40 | 0.26 | 0.54 | 0.06 | 0.00 | 9.06 | 6.37 | 5.55 | 2.99 |
| [p-value] | 0.318 | 0.694 | 0.189 | 0.530 | 0.611 | 0.466 | 0.808 | 0.985 | 0.003 | 0.013 | 0.019 | 0.086 |

Standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%.

TABLE 1
TAIWAN (b) 2SLS ESTIMATES 1980-97

| Variables | All Industries | | | | High Capital-Intensive | | | | Low Capital-Intensive | | | |
|-----------------------------|-----------------------|-----------------------|----------------------|----------------------|------------------------|-----------------------|---------------------|---------------------|-----------------------|-----------------------|----------------------|----------------------|
| | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage | (1) Employ ment | (2) Employ ment | (3) Wage | (4) Wage |
| Real GDP | 0.143*** (0.044) | 0.013 (0.065) | 1.014*** (0.054) | 1.092*** (0.083) | 0.130** (0.064) | 0.012 (0.097) | 1.036*** (0.094) | 1.184*** (0.144) | 0.176*** (0.057) | -0.007 (0.085) | 1.024*** (0.064) | 1.031*** (0.098) |
| Real Capital Stock | 0.051* (0.027) | 0.010 (0.027) | 0.062* (0.034) | 0.010 (0.034) | -0.010 (0.042) | -0.027 (0.043) | -0.029 (0.062) | -0.045 (0.064) | 0.049 (0.038) | 0.007 (0.034) | 0.092** (0.042) | 0.031 (0.039) |
| Aggregate Unemployment Rate | 0.022** (0.011) | -0.000 (0.012) | 0.003 (0.013) | 0.011 (0.016) | 0.011 (0.015) | -0.008 (0.018) | 0.002 (0.022) | 0.022 (0.027) | 0.014 (0.018) | -0.019 (0.021) | 0.002 (0.020) | -0.003 (0.024) |
| Inflation | -1.604*** (0.179) | -1.668*** (0.221) | -0.909*** (0.220) | -0.925*** (0.283) | -0.269 (0.253) | -0.700** (0.337) | 0.001 (0.370) | 0.396 (0.503) | -1.286*** (0.313) | -2.005*** (0.318) | -1.424*** (0.351) | -1.673*** (0.367) |
| Import Share | -0.073 (0.100) | -0.008 (0.097) | -0.278 (0.252) | -0.085 (0.196) | 0.120 (0.081) | 0.148* (0.080) | 0.111 (0.118) | 0.146 (0.120) | -0.801* (0.529) | -0.689* (0.366) | -0.160* (0.061) | -0.125* (0.063) |
| Obrvation | 315 | 315 | 315 | 315 | 120 | 120 | 120 | 120 | 195 | 195 | 195 | 195 |
| FE | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes |
| GMM | 16.622 | 6.711 | 7.520 | 10.579 | 4.429 | 2.665 | 8.635 | 8.424 | 16.412 | 8.282 | 10.328 | 12.026 |
| [p-value] | 0.020 | 0.460 | 0.377 | 0.158 | 0.729 | 0.914 | 0.280 | 0.297 | 0.022 | 0.308 | 0.171 | 0.100 |

Standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%.

TABLE 1
TAIWAN (b) 2SLS ESTIMATES 1980-97 1ST STAGE

| Variables | All Industries | | High Capital-Intensive | | Low Capital-Intensive | |
|-----------------------------|----------------------|----------------------|------------------------|----------------------|-----------------------|----------------------|
| | (1) | (2) | (1) | (2) | (1) | (2) |
| | Import Share | | Import Share | | Import Share | |
| Real GDP | -0.031 (0.039) | -0.008 (0.026) | -0.015 (0.048) | -0.075 (0.072) | -0.009 (0.024) | -0.038 (0.036) |
| Real Capital Stock | -0.009 (0.015) | -0.012 (0.014) | -0.009 (0.028) | -0.009 (0.030) | -0.029** (0.013) | -0.017 (0.014) |
| Aggregate Unemployment Rate | -0.023*** (0.007) | -0.019*** (0.006) | -0.011 (0.010) | -0.020 (0.013) | -0.023*** (0.005) | -0.027*** (0.007) |
| Inflation | 0.363*** (0.132) | 0.434*** (0.095) | 0.500*** (0.168) | 0.332 (0.230) | 0.380*** (0.090) | 0.335*** (0.127) |
| US IV PPI | -0.503*** (0.126) | -0.543*** (0.130) | 0.093 (0.180) | 0.056 (0.184) | -0.556*** (0.180) | -0.552*** (0.189) |
| Japan IV PPI | -0.174*** (0.053) | -0.173*** (0.059) | -0.109*** (0.049) | -0.111*** (0.054) | -0.289** (0.112) | -0.269** (0.125) |
| Obrvation | 315 | 315 | 120 | 120 | 195 | 195 |
| R-squared | 0.597 | 0.618 | 0.790 | 0.796 | 0.281 | 0.341 |
| FE | No | Yes | No | Yes | No | Yes |

Standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%.

TABLE 2
 THE IMPACT OF IMPORT COMPETITION ON EMPLOYMENT AND WAGES IN HONG KONG 1990-7 (Unit: %)

| Industry | Employment | | | Wages | | | Capital Intensity* |
|---------------------------------------|------------|-----------|------------|--------|-----------|------------|--------------------|
| | Actual | Simulated | Difference | Actual | Simulated | Difference | |
| Footwear, except rubber or plastic | -40.5 | -13.4 | -36.2 | -37.7 | -4.7 | -43.7 | L |
| Furniture, except metal | -30.7 | -14.8 | -15.9 | -23.2 | -6.1 | -17.0 | L |
| Leather products | -25.0 | -12.2 | -12.8 | -13.5 | -2.8 | -10.7 | L |
| Plastic products | -24.7 | -15.7 | -9.0 | -16.3 | -5.9 | -10.4 | L |
| Wearing apparel, except footwear | -20.8 | -15.1 | -5.6 | -14.9 | -5.7 | -9.2 | L |
| Professional and scientific equipment | -18.4 | -13.2 | -5.2 | -8.5 | -3.8 | -4.8 | L |
| Wood products, except furniture | -16.8 | -12.3 | -4.5 | -7.6 | -2.6 | -5.0 | L |
| Fabricated metal products | -17.4 | -14.9 | -2.5 | -8.6 | -5.1 | -3.4 | L |
| Machinery, electric | -14.0 | -11.8 | -2.2 | -4.1 | -1.5 | -2.6 | H |
| Other manufactured products | -12.0 | -10.9 | -1.0 | -5.3 | -0.9 | -4.4 | L |
| Rubber products | -11.6 | -11.8 | 0.3 | -5.9 | -2.6 | -3.3 | L |
| Iron and steel | -13.1 | -10.8 | 0.4 | -2.8 | -0.2 | 1.8 | H |
| Paper and products | -12.4 | -13.2 | 0.8 | -4.4 | -3.4 | -1.0 | L |
| Industrial chemicals | -8.3 | -9.5 | 1.2 | 19.5 | 0.2 | 19.3 | H |
| Machinery, except electrical | -11.0 | -12.3 | 1.3 | -1.3 | -2.0 | 0.6 | H |
| Transport equipment | -5.8 | -8.8 | 3.0 | 2.4 | 2.1 | 0.3 | H |
| Non-ferrous metals | -4.1 | -8.9 | 4.8 | 5.5 | 2.8 | 2.7 | H |
| Food products | -1.7 | -9.6 | 7.9 | 5.7 | 0.9 | 4.8 | L |
| Petroleum refineries | 0.0 | -9.3 | 9.3 | 13.0 | 0.0 | 13.0 | H |
| Other non-metallic mineral products | 2.9 | -8.3 | 13.1 | 10.7 | 1.9 | 8.8 | H |

Notes: The industries of Beverages, Tobacco, Textiles, Other Chemicals, Miscellaneous petroleum & coal products, Pottery and Glass Printing are excluded due to unavailable data. The figures under the columns are the annual percentage changes.

* H represents the high capital-intensive industries and L represents the low capital-intensive industries.

TABLE 2
THE IMPACT OF IMPORT COMPETITION ON EMPLOYMENT AND WAGES IN S. KOREA 1980-97 (Unit: %)

| Industry | Employment | | | Wages | | | Capital Intensity |
|---------------------------------------|------------|-----------|------------|--------|-----------|------------|-------------------|
| | Actual | Simulated | Difference | Actual | Simulated | Difference | |
| Tobacco | -6.6 | 3.8 | -10.4 | 2.2 | 9.8 | -7.5 | L |
| Rubber products | -6.8 | 2.9 | -9.7 | 2.3 | 10.9 | -8.6 | H |
| Textiles | -3.3 | 3.2 | -6.5 | 4.2 | 10.6 | -6.4 | L |
| Wood products, except furniture | -2.7 | 3.1 | -5.8 | 4.9 | 10.8 | -5.8 | L |
| Other manufactured products | -2.6 | 3.0 | -5.6 | 5.4 | 10.2 | -4.8 | L |
| Beverages | -2.7 | 2.5 | -5.2 | 3.9 | 11.1 | -7.2 | H |
| Wearing apparel, except footwear | -1.2 | 3.0 | -4.2 | 6.7 | 10.4 | -3.7 | L |
| Leather products | 0.4 | 2.6 | -2.3 | 8.6 | 11.7 | -3.0 | L |
| Food products | 0.9 | 2.8 | -1.9 | 7.5 | 11.3 | -3.7 | L |
| Non-ferrous metals | 1.6 | 3.4 | -1.8 | 8.5 | 10.4 | -1.9 | H |
| Other non-metallic mineral products | 1.4 | 3.0 | -1.6 | 8.6 | 10.7 | -2.1 | H |
| Iron and steel | 1.0 | 2.5 | -1.6 | 8.0 | 11.3 | -3.3 | H |
| Paper and products | 1.4 | 2.4 | -1.0 | 8.8 | 11.6 | -2.7 | H |
| Other chemicals | 1.8 | 2.6 | -0.8 | 8.5 | 11.2 | -2.7 | H |
| Footwear, except rubber or plastic | 2.4 | 2.9 | -0.4 | 9.4 | 10.7 | -1.2 | L |
| Professional and scientific equipment | 2.1 | 2.2 | -0.1 | 10.3 | 11.4 | -1.1 | L |
| Industrial chemicals | 2.9 | 2.7 | 0.1 | 10.0 | 11.2 | -1.3 | H |
| Machinery, electric | 3.1 | 2.2 | 0.8 | 11.0 | 11.6 | -0.6 | H |
| Fabricated metal products | 4.0 | 2.4 | 1.6 | 11.6 | 11.5 | 0.1 | L |
| Furniture, except metal | 4.3 | 2.6 | 1.6 | 11.8 | 11.0 | 0.8 | L |
| Plastic products | 4.3 | 2.3 | 2.0 | 11.8 | 11.6 | 0.3 | H |
| Petroleum refineries | 5.3 | 2.2 | 3.1 | 11.6 | 12.5 | -0.9 | H |
| Transport equipment | 5.9 | 2.3 | 3.6 | 13.4 | 11.9 | 1.5 | H |
| Machinery, except electrical | 8.3 | 2.0 | 6.3 | 15.3 | 12.8 | 2.5 | H |

Notes: The industries of Printing, Miscellaneous petroleum & coal products, Pottery and Glass are excluded due to unavailable data. The figures under the columns are the annual percentage changes.

* H represents the high capital-intensive industries and L represents the low capital-intensive industries.

TABLE 2
THE IMPACT OF IMPORT COMPETITION ON EMPLOYMENT AND WAGES IN SINGAPORE 1980-97 (Unit: %)

| Industry | Employment | | | Wages | | | Capital Intensity* |
|---------------------------------------|------------|-----------|------------|--------|-----------|------------|--------------------|
| | Actual | Simulated | Difference | Actual | Simulated | Difference | |
| Wood products, except furniture | -10.6 | 1.1 | -11.6 | 0.1 | 10.5 | -10.4 | L |
| Textiles | -9.9 | 1.0 | -10.9 | 1.1 | 10.3 | -9.2 | L |
| Footwear, except rubber or plastic | -10.0 | 0.8 | -10.8 | 2.1 | 10.2 | -8.1 | L |
| Wearing apparel, except footwear | -7.2 | 0.8 | -8.0 | 3.7 | 10.5 | -6.8 | L |
| Rubber products | -3.8 | 2.2 | -6.0 | 7.0 | 11.6 | -4.6 | L |
| Other manufactured products | -4.5 | 1.4 | -5.9 | 7.7 | 10.9 | -3.2 | H |
| Tobacco | -3.4 | 1.4 | -4.8 | 10.5 | 11.4 | -0.8 | H |
| Beverages | -2.9 | 1.7 | -4.6 | 7.9 | 11.2 | -3.3 | H |
| Leather products | -2.2 | 1.6 | -3.8 | 9.8 | 10.9 | -1.1 | L |
| Iron and steel | -1.7 | 1.9 | -3.6 | 9.4 | 11.1 | -1.7 | H |
| Professional and scientific equipment | -0.8 | 2.2 | -3.0 | 11.7 | 11.4 | 0.3 | L |
| Machinery, electric | -0.2 | 1.9 | -2.1 | 12.4 | 11.4 | 1.0 | H |
| Petroleum refineries | 0.2 | 1.7 | -1.5 | 10.4 | 10.9 | -0.5 | H |
| Furniture, except metal | 0.0 | 1.5 | -1.4 | 10.7 | 11.0 | -0.4 | L |
| Paper and products | 1.1 | 2.0 | -1.0 | 13.2 | 11.2 | 2.0 | L |
| Non-ferrous metals | 1.0 | 1.7 | -0.7 | 7.7 | 11.1 | -3.4 | L |
| Food products | 1.6 | 2.1 | -0.5 | 12.7 | 11.3 | 1.4 | H |
| Transport equipment | 1.6 | 1.9 | -0.2 | 11.2 | 11.1 | 0.1 | L |
| Other non-metallic mineral products | 2.3 | 2.4 | -0.1 | 12.4 | 11.5 | 0.9 | L |
| Industrial chemicals | 3.3 | 3.2 | 0.1 | 15.4 | 12.1 | 3.3 | H |
| Plastic products | 3.9 | 2.4 | 1.5 | 15.6 | 11.5 | 4.0 | L |
| Fabricated metal products | 3.8 | 2.3 | 1.6 | 14.8 | 11.4 | 3.4 | L |
| Other chemicals | 5.7 | 3.5 | 2.2 | 18.4 | 12.5 | 5.9 | H |
| Machinery, except electrical | 9.7 | 3.4 | 6.3 | 18.9 | 12.1 | 6.8 | H |

Notes: The industries of Printing, Miscellaneous petroleum & coal products, Pottery and Glass are excluded due to unavailable data. The figures under the columns are the annual percentage changes.

* H represents the high capital-intensive industries and L represents the low capital-intensive industries.

TABLE 2
THE IMPACT OF IMPORT COMPETITION ON EMPLOYMENT AND WAGES IN TAIWAN 1980-97 (Unit: %)

| Industry | Employment | | | Wages | | | Capital Intensity* |
|---------------------------------------|------------|-----------|------------|--------|-----------|------------|--------------------|
| | Actual | Simulated | Difference | Actual | Simulated | Difference | |
| Wood products, except furniture | -5.4 | -3.9 | -2.0 | 3.3 | 11.1 | -7.8 | L |
| Leather products | -3.2 | -3.8 | 0.0 | 7.4 | 11.1 | -3.6 | L |
| Textiles | -2.9 | -3.8 | 0.8 | 7.1 | 11.2 | -4.1 | L |
| Wearing apparel, except footwear | -1.8 | -3.9 | 1.1 | 7.7 | 11.1 | -4.1 | L |
| Other non-metallic mineral products | -1.6 | -3.8 | 2.5 | 8.6 | 11.2 | -1.7 | H |
| Furniture, except metal | -0.1 | -3.8 | 2.7 | 9.6 | 11.2 | -2.2 | L |
| Plastic products | -0.4 | -3.8 | 3.0 | 9.8 | 11.3 | -1.1 | L |
| Other manufactured products | -0.3 | -3.8 | 3.2 | 10.1 | 11.2 | -0.7 | L |
| Rubber products | 0.0 | -3.8 | 3.5 | 9.3 | 11.3 | -1.5 | L |
| Food products | -0.6 | -3.8 | 3.7 | 9.4 | 11.3 | -0.5 | H |
| Tobacco | 0.4 | -3.8 | 4.1 | 11.7 | 11.2 | 0.6 | H |
| Professional and scientific equipment | 1.4 | -3.8 | 5.2 | 11.6 | 11.2 | 1.2 | L |
| Industrial chemicals | 0.8 | -3.8 | 5.2 | 11.0 | 11.3 | 1.4 | H |
| Paper and products | 1.8 | -3.8 | 5.6 | 10.4 | 11.2 | 0.3 | H |
| Transport equipment | 2.0 | -3.8 | 5.7 | 11.2 | 11.3 | 0.4 | L |
| Iron and steel | 2.6 | -3.8 | 6.2 | 11.9 | 11.3 | 1.3 | H |
| Petroleum refineries | 2.4 | -3.7 | 6.4 | 14.8 | 11.5 | 3.8 | H |
| Other chemicals | 1.4 | -3.7 | 6.5 | 11.3 | 11.4 | 1.8 | L |
| Machinery, except electrical | 3.5 | -3.7 | 7.1 | 12.0 | 11.4 | 1.7 | L |
| Machinery, electric | 3.1 | -3.7 | 7.2 | 13.7 | 11.3 | 3.8 | L |
| Fabricated metal products | 4.2 | -3.7 | 7.8 | 13.1 | 11.3 | 2.4 | L |

Notes: The industries of Beverages, Footwear, Printing, Miscellaneous petroleum & coal products, Pottery, Glass and Non-Ferrous Metals are excluded due to unavailable data. The figures under the columns are the annual percentage changes.

* H represents the high capital-intensive industries and L represents the low capital-intensive industries.