

## **Impact of Exports on China's Economy: Based on Input-output Model of Partial Closure**

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In the last three decades, exports (especially exports of processing trade) played an important role in China. This paper constructs an extended non-competitive input-output table for processing trade for China and separately measures the impact of processing exports and non-processing exports on China's economy in 2002 and 2007 based on the partial closure model that contains the household sector. The results show: From 2002 to 2007, the total output, added value and employment of China induced by exports are significantly increased. The amount of effects of processing exports are much less than those of the non-processing exports, but the growths of effects of processing exports are more than those of the non-processing exports. From the pull mechanism, the indirect inducing coefficients of total output and added value of China by exports increase, while the derived inducing coefficients decline. The direct, indirect and derived inducing coefficients of employment of China by exports are all reduced.

**Key words:** processing export; non-processing export; the non-competitive input-output table; partial closure model