TITLE: STUDY ON THE RELATIONSHIP BETWEEN INDUSTRIAL TECHNICAL PROGRESS AND INTERNATIONAL TRADE IN CHINA DURING 1987-2005.

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## ABSTRACT:

After 1990, the quick grow up of Chinese economy has been reflected at its exportation volume, but the recent global financial crisis and the actual sluggish trade have caused a big fall in capital market and a quick drop of industrial profit in China, affecting the most competitive ability of the country. On this paper, we will analyse the following argument: The Chinese jump into the international trade is the result of cheap input factors, not the result of industrial technical progress, very dangerous situation for China. Based on it, this paper will analyse the relationship between industrial technical progress and international trade using the data of Chinese Input-Output (IO) tables and panel data co-integration method, then provide related policy advices. First part of the paper measures the industrial technical progress from IO tables. Second part is the relationship between industrial technical progress and international trade using panel data co-integration method. Last part is our conclusion.