

## **THE RELATIONSHIP BETWEEN TRADE AND GDP FOR CHINA**

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### **ABSTRACT**

In China, development of foreign trade greatly impacts GDP growth. Adopt time series testing methods like the growth of export and import has been successes through Simple linear and Semi log linear regression techniques. The growth of China and import is successes through index, annual growth rate and averages. The relationship between foreign trade including total export and import and GDP through Regression technic used, the collected 40 years statistical data of China from 1971 to 2010, including total export and total import and GDP growth of China. The result suggests that the traditional method used to estimate the contribution of foreign trade to GDP growth does not distinguish between the different roles of imports and exports in economic growth. The key of our estimation improvement is our emphasis on export's indirect impact via its influences on consumption and investment.

**KEYWORD:** GDP, Foreign Trade, Simple linear and Semi log linear regression, and Regression.

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