

Current Affairs

Q⁶ How do you see ----- allies?

Trade War

A trade war is situation where two countries impose tariffs on each other items, usually in retaliation. More often it is dictated by country's need to increase its own product growth and enhance domestic industries.

Trade War between China and America

ongoing trade war between these two countries first started in 2018 when US accused China of some unfair practices including weak labour and long working hours from employs.

USA accused China of property theft manipulation and trade imbalance which was denied by China multiple times.

Recent trade war between China and trump administration

In Early 2025, U.S imposed a 10% baseline tariff on all Chinese imports and then in April increased it by 34% rate. China retaliated and imposed same 34% of tariff on all imported goods from USA including rare element.

Period of Truce

In May after talks tariffs from USA went down to 30% from 145% overall and China cut down them to

lost on goods from USA. Moreover
right now both parties are in
negotiation to increase the deal
time for another 90 days.

opportunities for China

Trade with Aggravated parties

Since terms from US not only have
affected China but other countries as
well, China can take advantage of
the situation by exporting his goods
to them. Many countries like Latin
America, Brazil and Canada. China
that is always trying to increase
its trade and economic influence.

Progress in Road & Belt initiative

China is always encouraging countries
to use less dollars as an exchange
currency. This tariff can help to create
sustainable environment for that
initiative. The gap left by the
US companies can be filled by the
companies of China.

Boosting Growth in Domestic
Horizon

There are very few things China

don't manufacture itself - But with imposition of tariffs china can boost its domestic consumption and can change its path from export-reliant growth. The investments in various sectors like semi-conductors and green tech can lead to the growth.

Soft-Power Emergence

China always relied on economic development and this rift with USA has evolved its image to much softer version, especially in global south. Most countries like central asian nations want to step their feet into economic growth and china can help them through Digital Silk road.

Internalization of yuan

Tariffs have helped china to decrease its dependency on dollars this relying on ~~the~~ its own currency yuan. It can use yuan for better trades with Russia and iran.

Challenges With USA trade tariffs

As expected there are many challenges China has to face because of tariff war. Following are some significant ones that can affect Chinese Economy.

Domestic Economy Slowdown

Economic challenges due to trade-war are far-reaching and multifaceted. Tariffs of US have put financial burden on Chinese goods and market. Not to mention increase in unemployment rate among the youth.

Disrupted supply chains

Many multi-companies have move their head-quarters from ~~China~~ China to other countries like India. That can threaten China's hold in supply market.

Technological decoupling

USA has targeted many popular Chinese tech brands like Huawei and Oppo with restriction on silicon chips and semi conductors. These limited access can create bottle neck effect for Chinese ambition and market —

Global image perception of Chinese

Due to USA accusation on China regarding intellectual property threat and market restrictions world countries might have formed change view of Chinese market.

Conclusion

US tariffs have impacted China economically, mostly in trade and technology.