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ANALYSIS OF THE REASONS AND CONSEQUENCES OF THE TRADE WAR BETWEEN CHINA AND THE USA

Abstract. The article examines the development of trade relations between the United States and China from 1949 to 2025. A key milestone was China's entry into the WTO in 2001, after which trade volumes increased dramatically. However, restrictions on Chinese investment and exports began under the administration of Barack Obama. A sharp escalation occurred during the first presidential term of Donald Trump when large-scale duties were imposed on Chinese goods. In 2025, the «second trade war» began, accompanied by new tariffs and China's retaliatory measures. Special attention is paid to technological confrontation, including restrictions on the export of high-tech products, struggle for control over rare-earth metals, and the transformation of China's image from an economic partner to a strategic adversary of the United States.

Keywords: China, USA, trade war, WTO, tariffs, Donald Trump, Barack Obama, technology war

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Научная статья

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АНАЛИЗ ПРИЧИН И ПОСЛЕДСТВИЙ ТОРГОВОЙ ВОЙНЫ МЕЖДУ КИТАЕМ И США

Аннотация. В статье рассматривается развитие торговых отношений между США и Китаем с 1949 по 2025 год. Ключевым этапом стало вступление Китая в ВТО в 2001 году, после чего объёмы торговли резко выросли. Однако уже при администрации Барака Обамы начались ограничения на китайские инвестиции и экспорт. Резкая эскалация произошла в период первого президентского срока Дональда Трампа, когда были введены масштабные пошлины на китайские товары. В 2025 году началась «вторая торговая война», сопровождаемая новыми тарифами и ответными мерами Китая. Особое внимание уделяется технологическому противостоянию: ограничениям на экспорт высоких технологий, борьбе за контроль над редкоземельными металлами и трансформации образа Китая из экономического партнёра в стратегического противника США.

Ключевые слова: Китай, США, торговая война, ВТО, пошлины, Дональд Трамп, Барак Обама, технологическая война

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Introduction. In 1949, after the Communist government came to power in China, trade with the United States was halted for almost 30 years. The key moment was China's accession to the World Trade Organization (WTO) in 2001. Since then, trade volumes have significantly increased, with Chinese imports to the United States increasing from \$100 billion in 2001 to \$400 billion by 2023.

Under Barack Obama, several measures were taken against Chinese goods from 2009 to 2017. In 2012, his administration blocked Chinese businessmen from purchasing the energy company Ralls, citing threats to national security. According

to Peterson Institute to International Economics, in 2016, «anti-dumping duties» were imposed on Chinese steel products.¹

The First Trade War

Donald Trump's first presidential term marked a turning point in the trade confrontation between the two countries. Immediately after his inauguration, Trump withdrew from the Trans-Pacific Partnership, which intensified the trade conflict. In March 2018, he imposed tariffs on Steel imports fell by 25% and aluminum imports fell by 10%. In June 2018, tariffs were imposed on Chinese goods worth over \$50 billion, which increased to over \$200 billion in September of the same year, Reuters reported.²

Donald Trump's Second Trade War

In 2025, Donald Trump returned to the White House, leading to a new escalation of the trade war. The US President once again took action against China and other countries imposing additional tariffs and strengthening measures to protect American manufacturers. As a result, new tariffs were imposed on Chinese goods.

On February 2, 2025, Donald Trump signed a decree imposing high tariffs on goods from China, Canada, and Mexico, citing the need to combat illegal migration and the smuggling of fentanyl.

In early April 2025, the administration of the US President Donald Trump announced the imposition of large-scale trade tariffs on imports into the United States. The list of countries and territories with the highest additional tariffs included China (34%). In response to the US actions, the Chinese government announced the imposition of retaliatory tariffs of 34% on all goods imported from the United States.

In May 2025, a «truce» was reached in Geneva to mitigate the situation. According to the deal, the total US tariffs on Chinese goods (with some exceptions) were reduced to 30%, while China, in turn, reduced its tariffs to 10% and agreed to suspend its export controls on rare-earth metals (for 90 days).³

Technological aspect and the image of the enemy

The emergence of nuclear weapons made direct conflict between geopolitical blocs (superpowers) virtually impossible, but the contradictions between the powers did not disappear [1]. However, it is noted that American actors have changed their perception of China: from a partner to a rival or an adversary. The perlocutionary ef-

¹ Well Kenton. Understanding Anti-Dumping Duty: Definition, Process, and Examples. Investopedia. [Electronic resource]. URL: <https://www.investopedia.com/terms/a/anti-dumping-duty.asp> (accessed: November 10, 2025).

² Vineet Sachdev, Anurag Rao. What happened the last time Trump imposed tariffs on steel and aluminum. Reuters. [Electronic resource]. URL: <https://www.reuters.com/graphics/TRUMP-TARIFFS/STEEL/gdpznwgdzpw/> (accessed: November 10, 2025).

³ Lewis Jackson. What's in China-US trade deal? Tariff cuts and key details. Reuters. [Electronic resource]. URL: <https://www.reuters.com/world/what-have-china-united-states-agreed-geneva-2025-05-12/> (accessed: November 10, 2025).

fect is achieved through distorting facts and truth in the political sphere. The manipulative technology, the main media tool, has largely become false information as a means of aggression, propaganda, suggestion [1].

The analysis shows that within the strategic rhetoric, China has been portrayed as a threat to the US identity: a «battle for the soul of the world», where the US is presented as a defender of «Western values» [2].

Media and research show that the image of the Chinese competitor is formed through the prism: technological backwardness of the US, security threats, violations of trade rules, control over the supply of rare earth elements, etc.

The Technology War

China has become the target of the US restrictions: technology exports, chip bans, investment bans on China through the Committee on Foreign Investment in the United States (CFIUS)⁴.

China has responded by tightening control over exports of rare earth metals and technologies essential for electronics and defense, giving it a «weapon» in the technology standoff⁵.

Aristotle devised three means of persuasion. Among them were Ethos, Pathos, Logos⁶. We've analysed the articles for the means of persuasion used and found out the examples of Logos (logical arguments):

1. US Economic Arguments: «The annual US trade deficit with China exceeded \$300 billion by the 2020s»⁷.

2. Accusations of «unfair practices»:

- subsidies to exporters,
- forced technology transfer,
- closed Chinese markets.

3. National security argument:

- control over chips,
- Huawei, ZTE,

⁴ Steve Holland. Trump orders use of CFIUS to restrict Chinese investments in strategic areas. Reuters. [Electronic resource]. URL: <https://www.reuters.com/world/trump-use-cfius-restrict-chinese-investments-strategic-areas-white-house-2025-02-21/> (accessed: November 10, 2025).

⁵ Peter Hoskins, Business reporter and Laura Bicker BBC. China tightens export rules for crucial rare earths. BBC. [Electronic resource]. URL: <https://www.bbc.com/news/articles/ckgzl0nwvd7o> (accessed: November 10, 2025).

⁶ Aristotle rhetoric. Stanford Encyclopedia at Philosophy. [Electronic resource]. URL: <https://plato.stanford.edu/entries/aristotle-rhetoric/#ThreMeanPers> (accessed: November 3, 2025).

⁷ China made \$1 trillion off trade with the United States. [Electronic resource]. Politifact. URL: <https://www.politifact.com/factchecks/2025/apr/11/donald-trump/donald-trump-wrong-china-1-trillion-trade-deficit/> (accessed: November 10, 2025).

- blocking transactions through CFIUS.

The United States calls all this «critical infrastructure protection»⁸.

We have identified the examples of the PATHOS in the studied newspaper articles:

The pathos of the USA:

The United States presents the trade war as a struggle for justice and security. Trump called China an «unfair trading partner» accusing it of stealing technology, manipulating markets, and threatening national security.

The pathos of China:

China's pathos is built around the ideas of sovereignty, dignity and historical rise. Examples are the following:

- «We will never accept pressure and coercion».
- «China stands for peace, but is not afraid to fight» (the official formula of the Chinese Foreign Ministry).
- «China's development is a right, not a privilege»⁹.

Conclusion. Trade war between China and the USA has led to negative economic effects for both countries as well as for the world economy including slow-down in GTP growth, consumer prices increase, global supply chain disruption and increased markets volatility. The main consequences for China and the USA are economic damage, chain supply disruption, markets volatility. The experts estimate that the trade war could reduce the US output by 1.6%¹⁰. Although trade between countries remains significant in absolute terms, the imposition of reciprocal duties has made imported goods more expensive, putting a burden on consumers and businesses. Companies had to adapt by diversifying suppliers and reconsidering production centers to manage the tariff risks. All this has led to costs escalation and strategic changes in international trade. Uncertainty caused by constant changes in trade policy and the introduction of new tariffs has led to increased volatility in stock markets.

A full-scale trade war is likely to have a serious negative effect on the global economic growth. The World Trade Organization (WTO) estimates that the division of the world into two economic blocs could, in the long run, reduce global GDP by almost 7%¹¹. The imposition of duties and trade restrictions have led not only to increase in the goods cost in the countries affected by the conflict, but it also affects

⁸China made \$1 trillion off trade with the United States. Politfact.

[Electronic resource]. URL: <https://www.politifact.com/factchecks/2025/apr/11/donald-trump/donald-trump-wrong-china-1-trillion-trade-deficit/> (accessed: November 10, 2025).

⁹ Wang Yi. China's Position is Objective and Fair, and on the Right Side of History. [Electronic resource]. URL: https://ee.china-embassy.gov.cn/eng/zgyw/202203/t20220320_10653564.htm (accessed: November 10, 2025).

¹⁰ Leigh Thomas. OECD lowers global outlook as Trump trade war hits US growth. Reuters. [Electronic resource]. URL: <https://www.reuters.com/world/china/oecd-trims-global-outlook-trump-trade-war-hits-us-growth-2025-06-03/> (accessed: November 10, 2025).

¹¹ Leigh Thomas. OECD lowers global outlook as Trump trade war hits US growth. Reuters. [Electronic resource]. URL: <https://www.reuters.com/world/china/oecd-trims-global-outlook-trump-trade-war-hits-us-growth-2025-06-03/> (accessed: November 10, 2025).

the whole world. Other countries have had to rethink their trade strategies, balancing between protecting their own industries and the need to choose sides in a conflict between the world's two largest economies.

In general, the trade war has become a serious destabilizing factor for the world economy, contributing to trends towards deglobalization and creating recessionary risks.

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