

THE US-CHINA TRADE WAR AND ITS ECONOMIC CAUSES

During the previous administration of Donald Trump, the United States of America changed its foreign economic strategy. Since 2018, the United States has been pursuing a protectionist policy towards China, which is its largest trading partner. Donald Trump significantly increased duties on Chinese goods, to which China responded with similar measures. Many experts and analysts attribute this situation to the intention of the United States to limit China's influence, and this point of view has become prevalent in various regions and countries. Nevertheless, there are important economic factors that have prompted American politicians to take such measures. Thus, the purpose of our research is to identify important economic factors that prompted world politicians to come to conflict.

China, in turn, condemned the US actions as a manifestation of protectionism and responded by offering its own countermeasures. This conflict has revealed contradictions in economic ideologies. After the escalation of trade disputes in 2019, both sides reached a preliminary agreement in January 2020. However, tensions re-emerged when the agreement ended in December 2021 due to China's failure to meet promised import volumes from the United States. The trade war has been largely criticized as a setback for the United States [1].

Despite this, President Joe Biden, who replaced Trump, maintained the existing tariff levels. At the beginning of 2024, Trump's presidential campaign was considering the possibility of imposing high 60 percent tariffs on Chinese goods. The main reasons for the trade dispute between the United States and China are:

A significant contributing factor to the conflict is the significant trade deficit between the United States and China, which amounted to \$800 billion in 2017, with China accounting for \$500 billion of this deficit. Former US President Donald Trump stressed that China charges a 25% tariff on every imported American car, while the United States imposes only a 2% tariff on Chinese cars imported into the country [2].

The next reason for the conflict is China's ambitious "Made in China 2025" program. In 2015, China launched a strategic plan aimed at making the country a world leader in manufacturing and advanced technology by 2049, the centenary of the founding of the People's Republic of China. This plan raised concerns in the United States, as it was seen as an attempt by China to displace the United States from its position of technological and economic leadership [2].

The third reason to pay attention to is the repeated accusations of currency manipulation against Beijing. Washington accuses China of deliberately weakening the yuan to gain an unfair advantage in trade. From the point of view of the United States, this allows China. Cheaper exports: Chinese goods become cheaper for other countries, which makes them more competitive. Complicate imports: The devaluation of the yuan

makes imports to China expensive, making it difficult for other countries to trade as their goods become less competitive in the Chinese market.

As a result, Chinese manufacturers gain an advantage in the domestic market. Relations between the United States and China were deteriorating, and one example of this was the fate of the Chinese company Huawei. The United States has blacklisted Huawei, fearing that the company collects user data and transmits it to the Chinese authorities. After that, Google stopped cooperating with Huawei.

Outside of China, Huawei smartphones were only supported by the Android operating system, which could have been lost due to trade disputes. On May 6, at a friendly meeting, the two presidents agreed to hold talks that could reduce the degree of tension, Trump made concessions, promised not to impose duties of 3,000 billion yen on the remaining Chinese imports and lifted the ban on cooperation with Huawei [3].

Thus, for a long period of time, the two global economic giants have been waging a trade war. The reason for the conflict was the dissatisfaction of the leaders with the volume of mutual trade, as well as China's policy regarding the protection of intellectual property. The United States has begun to impose increased duties on certain Chinese goods, gradually increasing the list of taxable products. China, in response, denies any wrongdoing on its part. The current situation leaves no choice but to influence enterprises engaged in activities related to the production and supply of goods. Unsuccessful meetings, court proceedings, attempts to change the current situation, tip the scales in their favor and become mutually beneficial solutions have not yet been crowned with success. A rare "ray" is visible during normal negotiations, but many analysts believe that the dispute is unlikely to be resolved without significant losses.

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