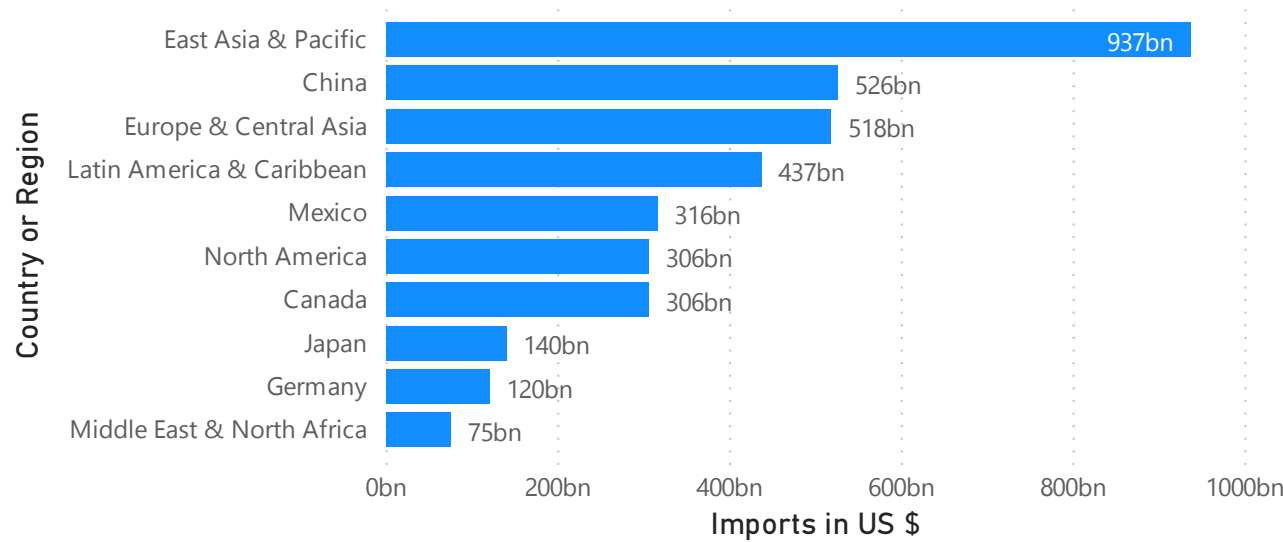


Trade Wars Around the World

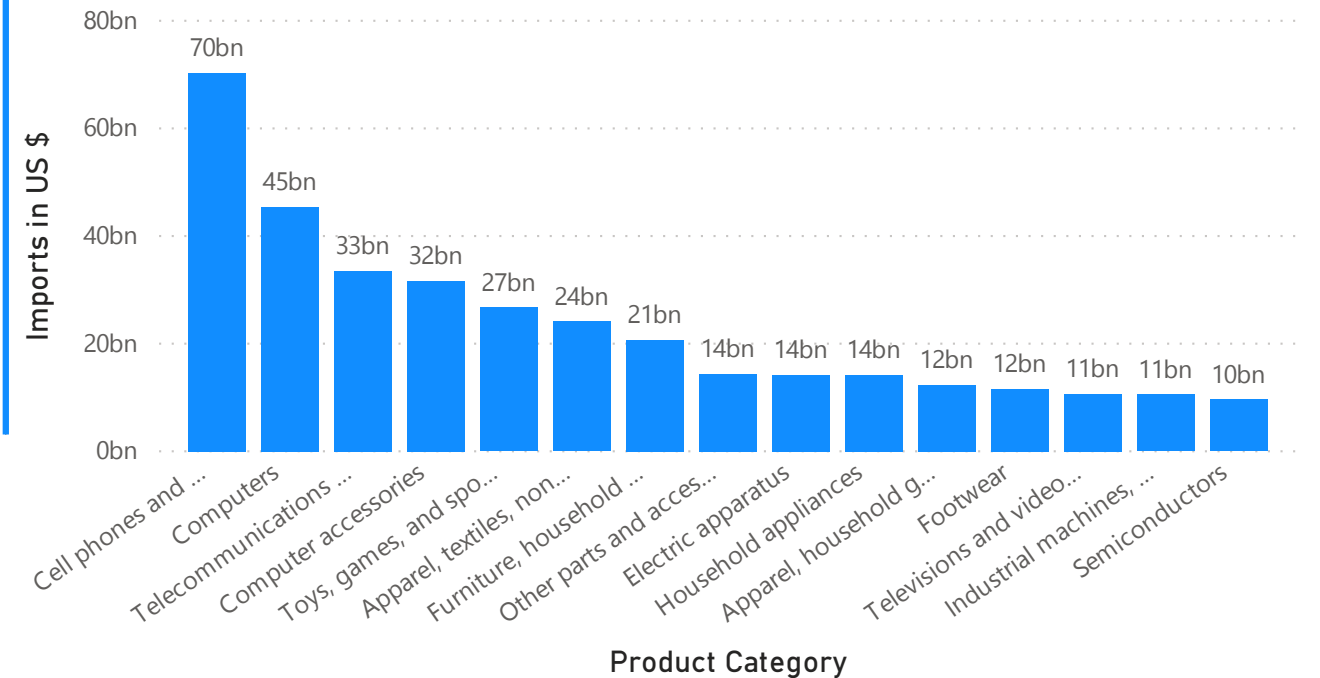
The US-China Trade War

US Imports by Country in 2017

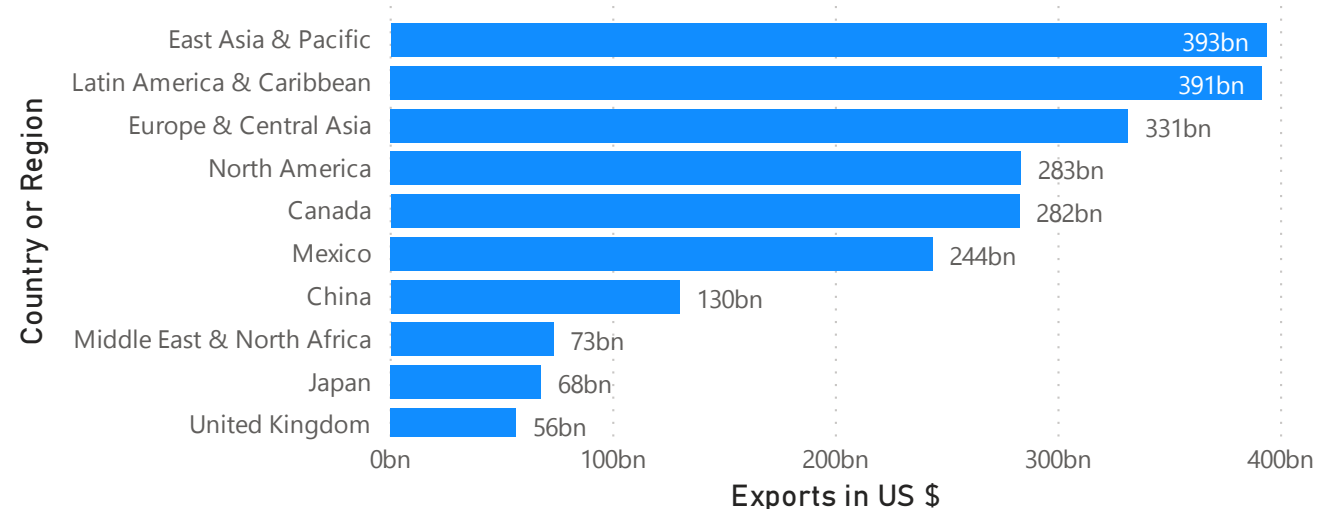


Before the Trade War began, China accounted for 11% of the Imports totalling US \$526 Billion but only 4% of Exports totalling US\$ 130 Billion. The bulk of the Imports from China were for Cell Phones, Computers, Telecom Equipment and other Electronic Appliances.

Imports from China in Year 2017 by Product Category



US Exports by Country in 2017



\$395.97bn

US Trade Deficit in 2017

35.73%

Deficit as Percent of Imports

Trade Wars Around the World

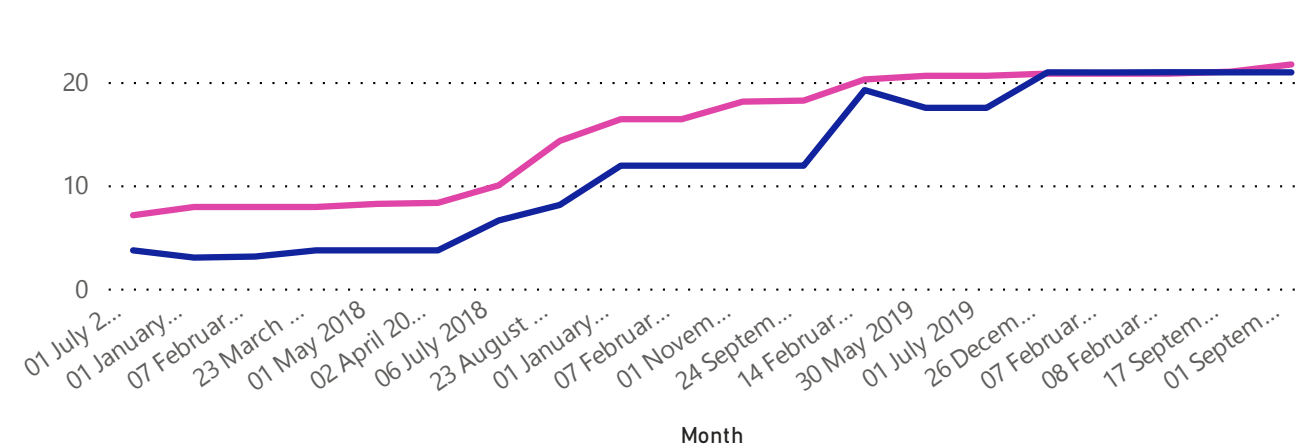
The US-China Trade War

US-China Trade War started with Trump increasing Tariffs on Imports from China in July, 2018 following which China also retaliated by imposing Tariffs on Imports from US.

Below is the Average Tariff Rate on US Imports from China and China's Imports from US.

China's Tariffs on US Exports and US Tariffs on China's Exports by Month

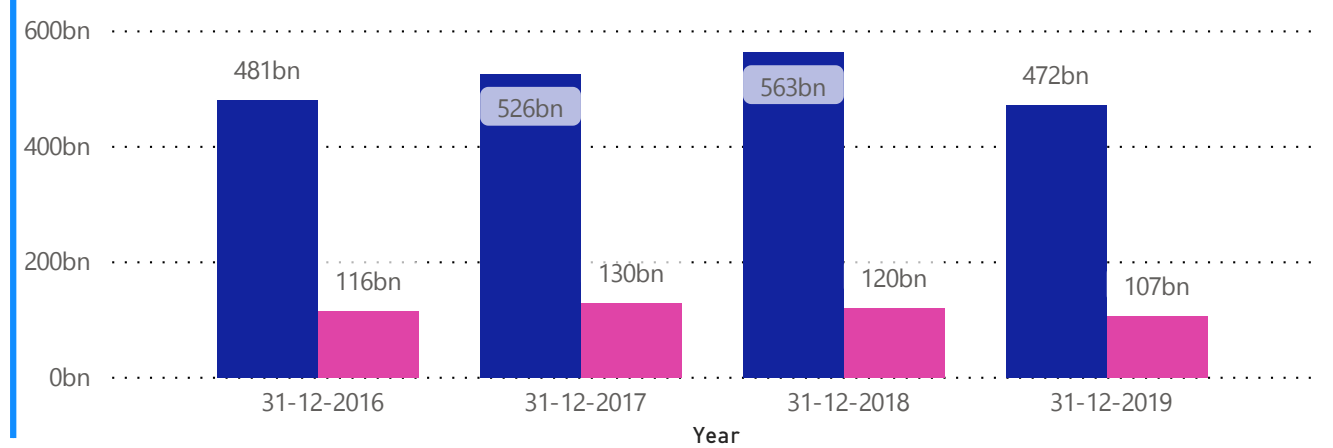
● China's tariff on US exports ● US tariff on Chinese exports



As a result of the increase in Tariffs, the Total US Imports from China decreased from US\$ 563 Billion to US\$ 472 Billion. On the other hand, the Total US Exports to China decreased from US\$ 120 Billion to US\$ 107 Billion due to China's retaliation.

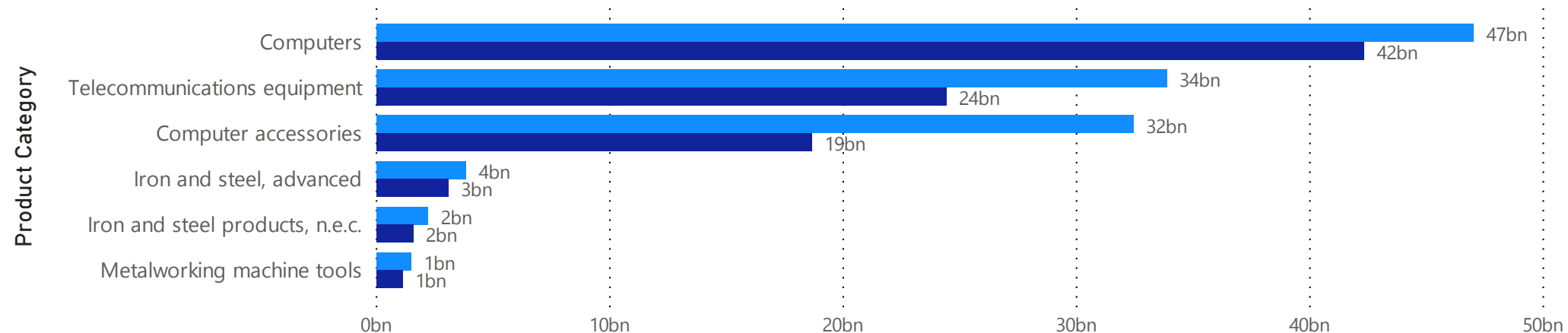
China's Exports to US and US Exports to China by Year

● China's Exports to US ● US Exports to China



Top US Imports from China by Category

● Year 2018 ● Year 2019



Below Chart shows the impact of Tariffs on US Imports from China. Since most of the Imports from China are related to Electronics we see a big slump in the category. The Trade Deficit also narrows marginally but not as much as one might hope for showcasing **the failure of Tariffs in bringing down the Trade Deficit.**

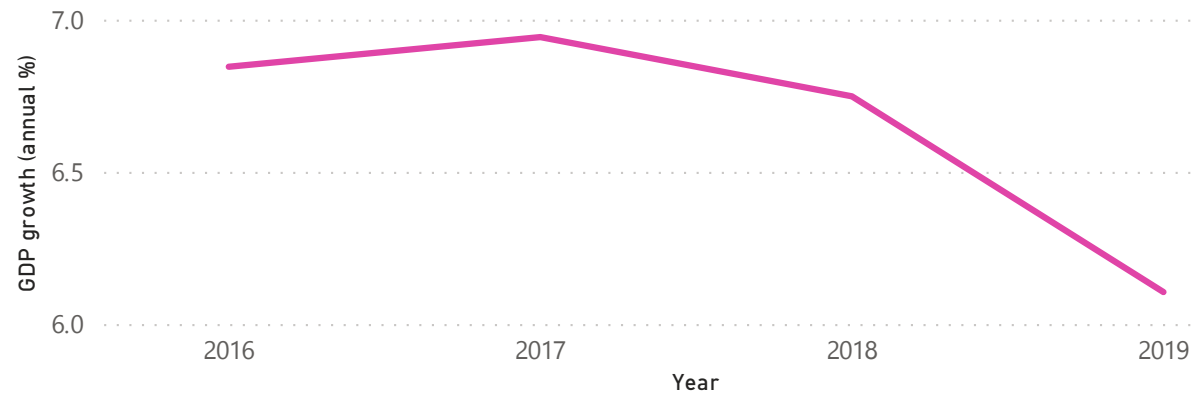
\$365.84bn

US Trade Deficit in 2019

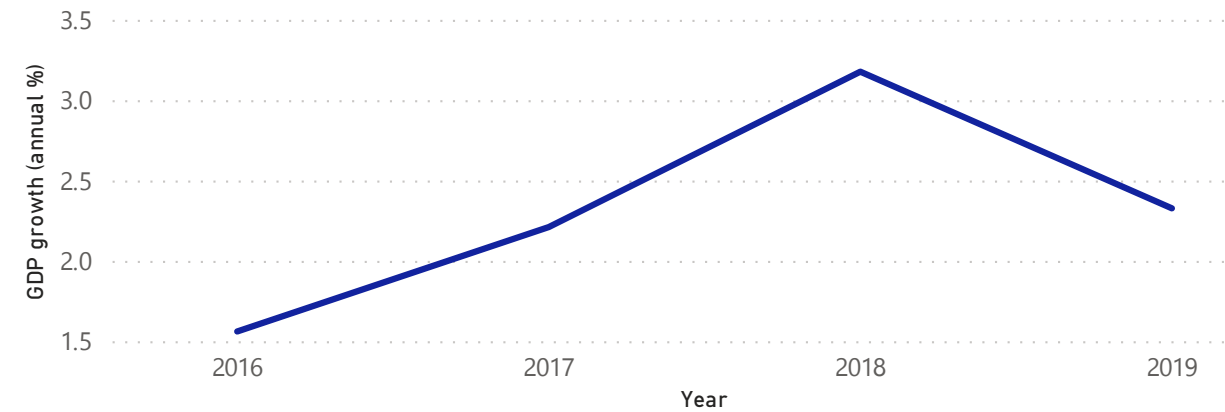
Trade Wars Around the World

The US-China Trade War

GDP growth (annual %) by Year



GDP growth (annual %) by Year



In addition to a relatively small dip in Trade Deficit of US, we also observe a **fall in Real GDP** of both the Countries which can be attributed to the Trade War.

In the beginning of 2020, Trump signed the Phase one of Trade Deal with China's Vice Premier Liu He whereby China promises to increase Imports from US to further decrease the Trade Deficit of US. Following the Pandemic, US has decreased its Tarriffs on healthcare, medical devices and other primary necessities. However, the discussions on Phase two of the Trade Deal has been delayed due to the Pandemic.

Conclusion of the Trade War

The Tarriffs by US on China has been able to successfully create a dent on China's Economy and its Economy's Outlook. However, it has costed the US Economy and Consumers dearly too. Another success of the US is the New Trade Deal with China promising the US further Exports of US \$200 Billion to China.