

## Macro Roundup Article

**Headline:** [A Second Dose of Trump On Trade Would Differ From The First](#)

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Publication	Financial Times
Publication Date	February 23, 2024

**Tweet:** China's surplus in manufacturing goods is now almost 2% of global GDP. The country's growth model will put increasing economic and political stress on the global trading system. @Brad\_Setser @BaurVolk @SoumayaKeynes

**Summary:** Donald Trump still likes tariffs. In his bid for a second term, he is promising a 10 percentage point tariff increase on all America's trading partners, and dangling a tariff on Chinese imports of at least 60%. The discussion around a 10% tariff should be interesting, though controversial. Former US trade representative Robert Lighthizer, who seems likely to serve in the next administration, has argued that America's problem is not necessarily bilateral trade deficits (absent unfair practices), nor even a trade deficit in any single year. Rather, a broader import tax is supposed to tackle America's pattern of consistent trade deficits, year after year. Brad Setser's work with Volkmar Baur of Union Investment, an asset manager, suggests that in 2022 China's surplus in manufacturing goods grew to record highs, of almost 2% of world gross domestic product.

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**Primary Topic:** Savings Glut/Trade Deficit

**Topics:** China, GDP, Op-Ed/Blog Post, Savings Glut/Trade Deficit, Trade (not deficits), Weekly

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