

# USA–China Trade Tensions: Who will be the next superpower?

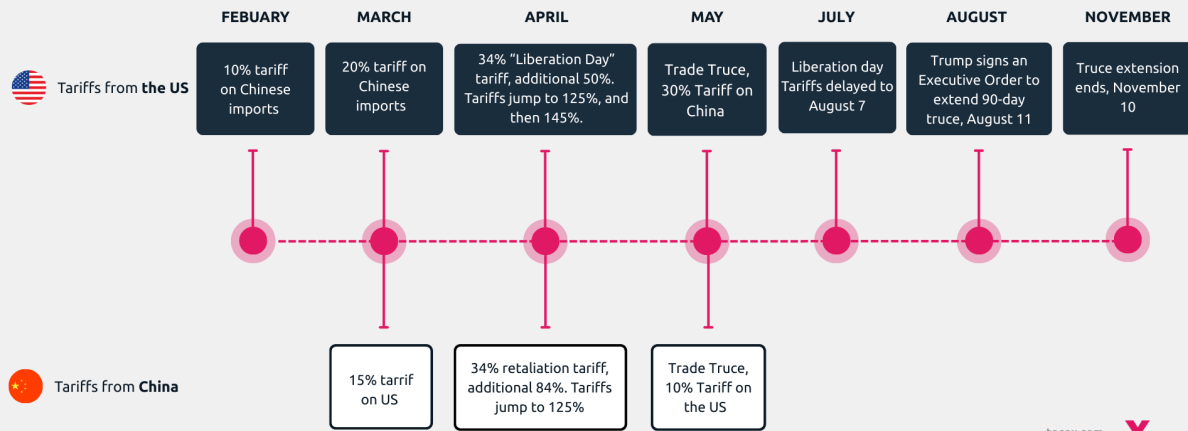
## China's Trump Card

Trump formally entered the office as The **47th President** on Monday, January 20, 2025 in the Rotunda of the U.S. Capitol in Washington. As soon as he rose in power, he signed more than 200 presidential orders. With his campaign “[MAGA - Make America Great Again](#)” focused on bringing factories and jobs back home and to restore the former glory, on Liberation Day, April 2, Trump announced the first round of tariffs. Under **Executive Order 14257**, all trading partners were hit with reciprocal tariffs to address the trade deficit of **\$1.2 trillion** recorded last year.

China, its largest trading partner and economic rival, was hit with a 34% tariff on imports. Its low value export exemption was denounced too. USA's allies weren't spared either, with reciprocal tariffs on goods of 25% on South Korea, 24% on Japan, 32% on Taiwan and 20% on European Union. At the top of the list was Cambodia with 49%, followed by Madagascar 47%, Sri Lanka with 44%, and Vietnam with 47%. The unveiled tariffs set **upheaval** in the global economy.

## 2025 US-China Tariff Timeline

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On Liberation Day, a 34% tariff on Chinese goods was announced. Beijing hit back with a 34% **retaliation tariff** effective from April 10, 2025. Washington responded with a hike up to 84% and then to 125%, escalating the trade war. To combat, Beijing went as far as to 147% targeting key USA's exports such as soybean, aircraft and automobiles. As a new emerging superpower, Beijing pulled its **Trump Card: Rare Earth Metals**.

Non-Tariff countermeasure meant **restrictions** on rare earth metals, it plays a key important in producing from smart phones, to vehicles, in renewable energy as well as in defence. According to **Rare Earth Exchanges**, China controls **92%** of global refined rare earth output, owns **99%** of global heavy rare earth refining capacity and produces **87-90%** of global permanent magnets. To summarize, it holds the supply chain in the **palm of its hands**.

World's **two largest** consumer economies agreed to **halt** and **postponed** the tariff for 90 days on May 25, 2025, settling the tariffs on 30% for China and USA's to 10%. There was a **second** round of exemption for China. But, its allies: who it has been partnering

up with to defeat Beijing were treated the same but later through negotiations got exemptions, relief, concessions and lower ceilings on reciprocal tariff.

The latest round of trade talks in September held in **Madrid, Spain** between the Chinese and USA's delegations did ease some of the tensions. There were no further additional tariffs and it was a silent agreement among the parties signalling temporary truce; key matters such as the future of Tiktok in the USA, Russian oil and money laundering were discussed.

What was expected during the upcoming **Asia-Pacific Economic Cooperation Summit** late October, was the signing of deals by Xi Jinping and Donald Trump. The outcome in the early October that no one expected is Beijing putting export controls on the same rare earth metals.

In retaliation , Trump has announced an additional 100% tariff and export controls on American software by November 1. Fees on sea vessels parked at each other's ports have been announced. Beijing has announced that it will not back down either.

The upcoming trade talks amongst the leaders may likely not happen with how things are unfolding. The consumer fueled economy and supply backed economy are at cross throats. Will Beijing come out as the new superpower or Washington hold up its glory?