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Некоммерческое акционерное  
общество  
«Отандастар қоры»

**«АЙМАҚТАНУДЫҢ ҚАЗІРГІ КЕЗЕҢДЕГІ МӘСЕЛЕЛЕРІ»**  
**ХАЛЫҚАРАЛЫҚ ҒЫЛЫМИ-ПРАКТИКАЛЫҚ КОНФЕРЕНЦИЯ**  
**МАТЕРИАЛДАРЫНЫҢ ЖИНАҒЫ**

**«СОВРЕМЕННЫЕ ПРОБЛЕМЫ РЕГИОНОВЕДЕНИЯ»**  
**СБОРНИК МАТЕРИАЛОВ МЕЖДУНАРОДНОЙ НАУЧНО-**  
**ПРАКТИЧЕСКОЙ КОНФЕРЕНЦИИ**



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В сборник вошли доклады ученых, докторантов, магистрантов и студентов, направленные на содействие более глубокому пониманию проблем, влияющих на региональное развитие и изучение региона. Рассмотрение данных процессов в разных аспектах, и с разных сторон особенно актуально в наши дни.

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## US-CHINA TRADE CONFLICT: CAUSES, CONSEQUENCES AND POSSIBLE SOLUTIONS

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**Abstract:** *This article provides an overview of the ongoing trade war between the United States and China, which started in March 2018 when the US imposed tariffs on Chinese imports worth \$50 billion. The article covers the key events in the trade conflict, including the imposition of multiple rounds of tariffs, negotiations, and retaliatory measures. The roots of the trade war are attributed to long-standing tensions between the two countries over trade and economic policies, with the US accusing China of unfair trade practices, currency manipulation, intellectual property theft, and forced technology transfers. The article also explores the far-reaching implications of the trade war on both countries and the global economy. Possible solutions to the trade dispute are also discussed.*

**Key words:** *the trade war, tariffs, negotiations, intellectual property theft, forced technology transfers, and national security concerns.*

The United States and China have been engaged in a trade war since 2018, which has had a significant impact on the global economy. The trade war started when the United States imposed tariffs on a range of Chinese goods, citing concerns about intellectual property theft and unfair trade practices. In response, China also imposed tariffs on a range of American goods, leading to a tit-for-tat escalation in the trade dispute.

Since then, the two countries have imposed multiple rounds of tariffs on each other's goods, with the United States targeting a wide range of Chinese products, including steel, aluminum, and electronics, while China has targeted American agricultural products, cars, and other goods. The trade war has also led to other restrictions on trade and investment, such as restrictions on Chinese telecommunications giant Huawei and the blocking of Chinese technology companies like TikTok and WeChat.

Efforts to reach a resolution have been ongoing, with several rounds of negotiations taking place between the two countries. However, the trade dispute remains unresolved, and the United States and China continue to impose tariffs and other restrictions on each other's goods and companies. This article will provide a detailed overview of the trade war between the United States and China, its causes, effects and possible solutions.

*Background of the problem.* The trade war between the United States and China began in March 2018 when the United States imposed tariffs on Chinese imports worth \$50 billion. The tariffs were imposed in response to allegations that China had engaged in unfair trade practices, including stealing intellectual property and forcing American companies to transfer technology to Chinese firms. In response, China imposed tariffs on American goods worth \$50 billion. The two countries continued to escalate the trade war, with the United States imposing further tariffs on Chinese goods worth \$200 billion in September 2018, and China responding with tariffs on American goods worth \$60 billion. The trade war between the United States and China has been one of the most significant economic conflicts of recent years, with far-reaching implications for both countries and the global economy as a whole. The dispute has been characterized by multiple rounds of tariffs, retaliation, and negotiations, with no clear end in sight.

The roots of the trade war between the United States and China can be traced back to long-standing tensions between the two countries over trade and economic policies. The United States has long accused China of unfair trade practices, such as currency manipulation, intellectual property theft, and forced technology transfers. These accusations intensified under the Trump administration, which adopted a more confrontational approach towards China and sought to address what it saw as unfair trade practices and other issues [6].

*Key Events in the Trade Conflict.* The trade conflict between the United States and China has been marked by a series of events, with the imposition of initial tariffs in 2018 serving as the beginning of an escalating trade war. The United States imposed tariffs on steel and aluminum imports from China and other countries in March 2018, and followed up with tariffs on \$50 billion worth of Chinese goods in June 2018, citing concerns related to intellectual property theft and unfair trade practices. China retaliated in July 2018 by imposing tariffs on \$50 billion worth of American goods, including agricultural products, cars, and chemicals. In September 2018, the United States imposed tariffs on an additional \$200 billion worth of Chinese goods, with China responding by imposing tariffs on an additional \$60 billion worth of American goods. The ongoing trade dispute between the United States and China has far-reaching implications, both for the two countries and the global economy more broadly [7].

Starting from the initial tariffs in 2018, the trade dispute between the United States and China has been escalating with multiple rounds of tariffs, negotiations, and retaliatory measures. In May 2019, the United States increased tariffs on \$200 billion worth of Chinese goods from 10% to 25%, and China responded with additional tariffs on \$60 billion worth of American goods. In August 2019, the United States designated China as a currency manipulator, accusing it of devaluing its currency artificially to gain a trade advantage. Later, in December 2019, the United States and China reached a phase one trade deal that included commitments from China to buy more American goods and address issues related to intellectual property theft and forced technology transfers [7].

In January 2020, the United States and China signed the phase one trade deal,

which marked a partial truce in their ongoing trade war. The deal aimed to address some of the issues related to intellectual property theft, forced technology transfers, and trade imbalances between the two countries, while easing some of the tariffs and other restrictions on trade. However, the deal was criticized for not addressing the underlying issues that led to the trade war, such as China's industrial policies and state subsidies. In May 2020, the United States imposed new restrictions on Chinese technology giant Huawei, citing national security concerns. These restrictions included prohibiting American companies from doing business with Huawei without a government license. In August 2020, the United States imposed additional sanctions on Chinese officials and companies over alleged human rights abuses in Xinjiang, including targeting companies involved in the region's surveillance and detention programs. In January 2021, the United States imposed new restrictions on Chinese technology companies, including TikTok and WeChat, citing national security concerns and allegations of data privacy violations [7].

One of the most significant events of 2021 was the ongoing dispute over the origins of the COVID-19 pandemic, which led to increased tensions and accusations between the US and China. The Biden administration continued to implement tariffs on Chinese goods and announced new restrictions on Chinese technology companies, including TikTok and WeChat, in January 2021. In response, China continued to impose sanctions on American companies and individuals, exacerbating the trade conflict. The US also took measures to restrict the access of Chinese companies to US capital markets, further escalating the trade tensions. Additionally, the US imposed new restrictions on Chinese solar products, citing concerns about forced labor in Xinjiang. The US-China trade war also had a significant impact on global supply chains and trade flows, affecting industries from technology to agriculture. While both countries continued to engage in negotiations throughout the year, the trade war remained unresolved, and its impact on the global economy continued to be felt. As the world's two largest economies, the US and China's trade relations are closely watched and have far-reaching implications for the global economic and political order [2].

Some experts argue that the trade conflict could be viewed as a manifestation of broader geopolitical tensions between the two countries, as the United States seeks to counter China's economic and military rise. Others argue that the trade conflict is rooted in long-standing trade imbalances between the two countries, with the United States seeking to address what it views as unfair trade practices on the part of China. The United States has also accused China of stealing intellectual property and engaging in forced technology transfers, further fueling tensions between the two countries [1].

*Causes of the conflict.* According to the assessment of Russian researchers the US-China trade war can be attributed to four primary causes [3: 5].

Firstly, the US seeks to reduce the bilateral trade deficit and bring jobs back to America. In 2017, China accounted for almost half of the US trade deficit, which has been increasing for decades. The US perceives its trade with China as unfair.

Secondly, the US aims to limit China's high-tech capacity, as it is dissatisfied

with China's requirements for creating joint ventures for technology transfer and perceives Chinese public investment as creating unfair competition in global markets. China's success in modernizing production, increasing robot, lithium battery, and network equipment production, has alerted the US. As a result, the US has imposed tariffs on Chinese electronic products, including telecommunication and network equipment.

Thirdly, the US aims to prevent China's military strength from growing. It is unacceptable for the US to allow China to become a military superpower, and it seeks to maintain its competitive advantage in the national security sector and prevent China from accessing American dual-use technologies.

Fourthly, some analysts suggest that the US government seeks to generate additional sources of income to balance its budget, and tariffs on Chinese products are viewed as a primary source of such income. The US government faces a large budget deficit, partly attributed to tax cuts in 2017, while China's government has a healthier fiscal position and can compensate any industries harmed by the trade war. These factors have contributed to the trade war between the US and China, which shows no signs of abating.

The ongoing trade war between the United States and China has been driven by multiple factors.

The US has accused China of engaging in intellectual property theft, specifically by stealing American patents, trade secrets, and copyrighted material, resulting in financial losses for American firms. In response, the US has implemented tariffs as a coercive measure to compel China to cease this activity.

The trade imbalance between the two countries, whereby the US imports more goods from China than it exports, has been cited as a cause of the trade war. The US has accused China of implementing unfair trade practices such as currency manipulation and subsidizing exports, contributing to this trade deficit.

In terms of security the US has raised concerns about national security risks posed by Chinese technology companies, particularly Huawei, which has been accused of stealing American technology and sharing sensitive information with the Chinese government. These concerns have resulted in the US taking measures to limit China's access to American dual-use technologies. The interplay between these factors has led to the escalation of the trade war between the US and China, with both sides imposing retaliatory tariffs on each other's goods, creating economic and political tensions [5].

*Effects of the conflict in different dimensions.* The trade dispute between the United States and China has resulted in significant impacts on their economies and the global economy. Both countries have imposed tariffs leading to higher prices for consumers, decreased exports for American companies, and reduced profits for Chinese firms. The trade war has also created uncertainty in the global economy, which has resulted in lower investment and growth. Additionally, the trade war has caused disruptions in global supply chains, especially in industries such as manufacturing and technology. Furthermore, the trade war has geopolitical implications, as it has led to a broader competition for influence in Asia and around

the world between the two nations.

*Trade policy in Biden Era.* Under the Biden administration, the United States' trade policy towards China has undergone a significant shift compared to the previous administration's approach. While President Trump pursued an aggressive stance towards China through tariffs and trade restrictions, President Biden has sought to engage China through multilateral diplomacy while also maintaining a firm stance on certain issues.

One of the key features of the Biden administration's trade policy towards China is its emphasis on multilateralism. Rather than pursuing a go-it-alone approach, the Biden administration has sought to build alliances with other countries in the Asia-Pacific region to counter China's growing economic and military influence. This includes strengthening ties with traditional allies such as Japan, South Korea, and Australia, as well as building new partnerships with countries like India and Vietnam.

At the same time, the Biden administration has continued to maintain a tough stance on certain issues related to China's trade practices. This includes intellectual property theft, forced technology transfer, and China's state subsidies for its industries. However, rather than relying solely on tariffs and other punitive measures, the Biden administration has sought to address these issues through diplomacy and negotiations.

For example, the Biden administration has sought to revive talks on the Trans-Pacific Partnership (TPP), a multilateral trade agreement that was abandoned by the Trump administration. The TPP includes countries such as Japan, Australia, and Vietnam, and is seen as a way to counter China's economic influence in the region. The Biden administration has also sought to work with the European Union to address issues related to China's trade practices, including through the creation of a joint working group on China.

The Biden administration's trade policy towards China represents a significant shift from the previous administration's approach. While maintaining a tough stance on certain issues related to China's trade practices, the Biden administration has sought to engage China through multilateral diplomacy while also building alliances to counter China's growing economic and military influence in the Asia-Pacific region [4].

#### *Possible Solutions:*

There are several possible solutions to the trade war between the United States and China, including:

**Negotiations:** The United States and China could negotiate a trade deal that addresses the concerns raised by both countries. This could include measures to protect intellectual property, reduce the trade imbalance, and address national security concerns.

**International cooperation:** The trade war could be addressed through international cooperation, such as through the World Trade Organization or other multilateral agreements.

**Decoupling:** Some have suggested that the trade war could lead to a decoupling



of the United States and Chinese economies, with each country developing more self-reliant supply chains and reducing reliance on the other.

The ongoing trade war between the United States and China has been having profound impacts on both nations and the global economy. Various possible remedies, such as diplomatic talks, collaborative efforts, or separating the intertwined economies, have been proposed. However, it remains uncertain how the dispute will ultimately be resolved. As two of the largest economies in the world, the U.S. and China are major drivers of global economic growth and stability, and thus resolving the trade war has become a crucial imperative.

The trade war has brought about economic repercussions, including price hikes for consumers, reduced exports for American firms, and decreased profits for Chinese companies. It has also resulted in supply chain disruptions and uncertainty, which have had adverse consequences for the global economy, particularly in industries such as manufacturing and technology. Moreover, the trade war has escalated into a broader geopolitical competition for power and influence in Asia and beyond. Given these multifaceted impacts, finding a sustainable solution to the trade war is essential for the continued growth and stability of the global economy.

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