

# ECOSOC

## *Topic Brief 2*

Addressing the global effects of the US-  
China Trade dispute

## General Overview

The US China trade conflict is a huge and complex trade dispute between the world's two largest economies, with disagreements focused mostly on tariffs and trade policies. The issue escalated into a full-fledged war in 2018, when both countries started placing tariffs on imported goods, on hundreds of billions of dollars worth of items from each other. The US defended the taxation by claiming unfair trade practices, technological theft and national security concerns. China responded by imposing punitive duties on several American imports., triggering a chain reaction in which both sides raised tariffs and trade obstacles in an instant.

This complicated trade war has had a significant impact on the world's economy, primarily by affecting the global supply chain, on which many sectors worldwide rely. Given the US and China's deep economic interconnection, with each relying heavily on the other for resources, product and services, the conflict has consequences throughout global markets. The results include higher production costs, delays in supply shipping and an overall feeling of uncertainty that has impacted both businesses and consumers all around the globe. Companies with supply chains that spanned across the United States and China faced increased price and logistical issues affecting their operations and profits.

The issue also highlighted the limitations the World Trade Organisation (WTO) faces when dealing with such high-stakes conflicts. The WTO's regulations and dispute resolution mechanisms failed to keep up with both countries' quick and often unilateral introduction of tariffs and trade restrictions. In addition, while there is no full Free Trade Agreement (FTA) between the United States and China, ongoing negotiations with the goal of calming tensions and lowering tariffs have led to mixed outcomes with progress frequently slow and sometimes reversed.

In summary, the US-China trade conflict demonstrates the uncertain equilibrium of global trade control as well as the world's main economies' interdependence. It acts as a reminder that trade disagreements between economically interdependent states can have far-reaching implications, emphasising the vital role of multilateral cooperation and effective trade frameworks in resolving disputes proactively and sustaining the international trading system.

## Timeline

- **March 2018:** The United States imposes obligations on solar panels and washing machines imported from China, claiming unfair trade practices.
- **June 2018:** China imposed additional tariffs on \$50 billion worth of US imports which escalated the trade battle.
- **July 6, 2018:** The US imposes 25% tariffs on \$34 billion in Chinese imports, after China responds similarly.
- **August 23, 2018:** Tariffs were expanded to cover an extra \$16 billion in goods on both sides.
- **2019:** Tariffs affect \$350 billion in Chinese imports and \$100 billion in US exports, affecting global supply networks.
- **Late 2019:** A global economic slowdown develops under trade war pressures, easing concerns about economic interdependence and potential separation.
- **Early 2025:** The United States increases tariffs again, arguing unfair trade and national security. China reimposes restrictions on American goods.
- **Mid-2025:** Diplomatic efforts result in minimal tariff reply, focus switches to broader trade challenges beyond tariffs.
- **Mid to Late 2025:** Negotiations continue despite significant geopolitical and financial issues.

## Key terms

- **Trade dispute:** Disagreement and/or conflict between two or more countries regarding the terms of trade (ex: tariffs, quotas).
- **Tariffs:** Taxes imposed by a government on imported goods and services.
- **Trade war:** Economic conflict between two or more countries that involves the implementation of protectionist policies (tariffs, trade barriers, etc.) to disrupt global chain supply and gain economic and/or political leverage.
- **Free Trade Agreement (FTA):** When two or more countries lower/remove protectionist policies to allow goods and services to move between them more easily.
- **Economic interdependence:** When two or more countries rely on one another for resources, goods, and services, with the economic activity of one country significantly affecting the other.
- **Global supply chain:** The worldwide system a business uses to produce products or services across international borders.

- **World Trade Organization (WTO):** An intergovernmental organization that deals with the global rules of trade between nations.

## Relevant parties

### Direct Parties in the Dispute

- **United States:** Initiated tariffs citing unfair trade practices, technological theft, and national security concerns.
- **China:** Retaliated with tariffs and restrictions, aiming to protect its economic sovereignty and exports.

### Major Economies Negatively Affected by the Trade War

- **European Union (especially Germany, France, Italy):** Impacted by global supply chain disruptions but also benefited from trade diversion
- **Japan:** Highly dependent on tech and auto exports; supply chain disruptions hit its economy.
- **Canada & Mexico:** U.S. neighbors tied through the USMCA trade pact; indirectly impacted by tariff shifts.
- **Australia:** Key supplier of raw materials (iron ore, coal, LNG) to China; economy sensitive to Chinese demand shifts.

### Emerging Economies Benefiting from Supply Chain Shifts

- **Brazil:** Benefited as an alternative supplier of soybeans and agricultural products to China during U.S. tariff restrictions.
- **Vietnam:** One of the biggest winners, as manufacturers relocated from China to avoid tariffs.
- **India:** Positioned itself as an alternative manufacturing hub and IT exporter amid the conflict.

## Useful Resources

- <https://www.weforum.org/stories/2025/06/trumps-us-china-trade-tariffs-timeline/>
- <https://www.china-briefing.com/news/us-china-tariff-rates-2025/>
- <https://www.cfr.org/backgrounder/contentious-us-china-trade-relationship>
- <https://www.ifw-kiel.de/publications/news/us-china-trade-war-serious-consequences-mostly-for-the-usa/>
- <https://taxfoundation.org/research/all/federal/trump-tariffs-trade-war/>

## Citations

- <https://dictionary.cambridge.org/dictionary/english/trade-dispute>
- <https://lsd.law/define/trade-dispute>
- <https://www.oxfordeconomics.com/resource/tariffs-101-what-are-they-and-how-do-they-work/>
- <https://www.britannica.com/money/trade-war-meaning>
- <https://corporatefinanceinstitute.com/resources/economics/trade-wars/#:~:text=A%20trade%20war%20is%20an%20economic%20conflict%20between%20countries%20that,subsidies%2C%20currency%20devaluation%2C%20and%20embargos>
- <https://www.investopedia.com/terms/f/free-trade.asp>
- <https://studyfinance.com/economic-interdependence/>
- <https://www.weforum.org/stories/2025/06/trumps-us-china-trade-tariffs-timeline/>
- <https://www.bbc.com/news/articles/c4g2089vznzo>
- <https://www.ifw-kiel.de/publications/news/us-china-trade-war-serious-consequences-mostly-for-the-usa/>

## International Organizations & Treaties

- **International Atomic Energy Agency (IAEA):** Monitors nuclear programs, enforces safety standards, and ensures compliance with peaceful use.
- **United Nations Environment Programme (UNEP):** Involved in environmental implications of nuclear waste disposal.
- **Nuclear Non-Proliferation Treaty (NPT) signatories:** 191 states balancing peaceful use with disarmament.
- **World Health Organization (WHO):** Addresses public health impacts of radiation.

## Useful Resources

- <https://world-nuclear.org/information-library/nuclear-fuel-cycle/nuclear-waste/storage-and-disposal-of-radioactive-waste>
- <https://earth.org/nuclear-waste-disposal/>
- [https://www.sipri.org/sites/default/files/2025-04/eunpdc\\_no\\_95\\_0.pdf](https://www.sipri.org/sites/default/files/2025-04/eunpdc_no_95_0.pdf)
- <https://www.gao.gov/nuclear-waste-disposal>
- <https://greenamerica.org/fight-dirty-energy/amazon-build-cleaner-cloud/10-reasons-oppose-nuclear-energy>
- <https://earth.org/the-advantages-and-disadvantages-of-nuclear-energy/>

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- <https://www.sciencedirect.com/topics/engineering/deep-geological-disposal>
- <https://world-nuclear.org/information-library/nuclear-fuel-cycle/nuclear-waste/storage-and-disposal-of-radioactive-waste#:~:text=100%20metresd.,Deep%20geological%20disposal,reaching%20humans%20and%20the%20environment>
- <https://disarmament.unoda.org/wmd/nuclear/npt/>
- <https://inis.iaea.org/records/5fdt6-9cz83#:~:text=Description,studied%20in%20research%20and%20assessments>