

THE US-CHINA TRADE WAR AND ITS GLOBAL IMPACT

Aarush Chopra¹, Aarti Chopra^{2*}

¹Grade 12 Student, BVB Vidyashram School, Jaipur, INDIA,

^{2*}Associate Professor, Poornima University, Jaipur, INDIA,

aarushchopra2k08@gmail.com¹

chopraaarti.1981@gmail.com²

***Corresponding Author:** Aarti Chopra

***Email:** chopraaarti.1981@gmail.com

Abstract

The given research paper analyzes the US- China trade war, which was started in 2018, and its diverse economic consequences in the entire world. The literature helps to explain that the trade war succeeded in reaching some of its protectionist ambitions, but it had significant economic costs to the world and accelerated the process of deglobalization. This research examines the effect on the world trade flows, economic growth and on the economies with the help of statistical analysis such as - time series statistics, trend analysis and correlation analysis. Evidence indicates that there are intense changes in bilateral trade flows, supply chain re-entries, and differently favored regional effects of different economic blocs.

Keywords: Trade war, US-China relations, Global economy, Statistical analysis, international trade

1. INTRODUCTION

It is one of the largest trade wars in economic history because the US-China trade war made official under the Trump administration is the most recent case which was initiated in 2018 (Bown, 2021). The initial idea of damaging Chinese imports through selective tariffs turned into a full-fledged trade conflict that harms hundreds of billions of USD of bilateral trade (Bown, 2021). China has also utilized tit-for-tat trade war strategy and imposed additional tariffs of up to 15% on different U.S. goods (Liu, & Woo, 2018). Both these economic powerhouses imposing tariffs on of each other's goods which is heightening tension and strategic rivalry in trade, technology, and geopolitical influence (Liu, & Woo, 2018). This war has radically changed the trade patterns and supply chains around the world, and the ramifications of this war go way beyond the two main adversaries.



Figure 1: US-China Trade War
(Source: TradeImex, 2018-2025)

The trade war started due to the US long term concerns about Chinese trade behaviors, such as intellectual property theft,

forced technology transfer as well as state-subsidized industries seen to give unfair competitive advantages (Lighthizer, 2020). China was a geopolitical background to this clash in economics since it had risen economically very quickly and was challenging the US economically (Lighthizer, 2020).

The proposed research will quantitatively estimate the effects of US-China trade war on a global basis based on detailed sets of statistical data and processes, the disruptive effects of the trade flows involved, the economic growth consequences and regional differences between the impacts. Through intensive statistical approaches we are inclined to argue out empirical results of the war in its various dimensional effects on the global economic situation.

2. LITERATURE REVIEW

2.1 Theoretical Framework

Theoretically, trade wars show a break to comparative advantage and free trade which have served as the pillars of the world economic development since the post-World War II period (Krugman, 2019). Political economy factors commonly move governments towards protectionism despite pressure to the contrary imposed by classical trade theory, which has argued that tariffs impose deadweight losses and diminish aggregate economic welfare.

The gravity model of international trade offers an efficient approach of comprehending the impacts of trade wars on common trade patterns. This theory shows that the trade between two nations is proportional to the size of each country and is negative against the distance of two nations together with the different trade rates such as the tariffs among others (Anderson & van Wincoop, 2003).

The last empirical studies have started quantifying the effects of the US China trade war. According to Fajgelbaum et al. (2020), the trade war caused the bilateral trade flows to decrease by around 25% and produce very little federal revenue to the US government. According to Cavallo et al. (2021), they recorded considerable pass-through effects of tariff to consumer prices especially intermediate goods.

According to Handley et al. (2020), the impact of disruptions in supply chains was analyzed, where the authors revealed that there was a trade diversion effect, as businesses tried to find a new supplier in countries other than China. This process of friend- shoring or rather, near- shoring has moved a notch which has transformed the international production and supply chains with the rising onset of the trade war.

2.2 Economic Impact of US-China Trade War

It is possible to sort out economic effects of the trade war into categories, direct and indirect, with the first one experiencing and acting in different ways along with different participants (Fajgelbaum et al., 2020). Direct effects entail the decline in bilateral trade volumes that immediately occurs with the rise of tariffs, shifts in relative prices, which influence the consumer and producer behavior as well as the fiscal consequences of new higher tariff revenues. The indirect impacts include the overall economy impacts such as supply chain impacts, diversion of investments, macro-economic spills and alteration of business confidence and business planning (Handley et al., 2020).

The direct consequences constitute the shortest-term and quantifiable throwbacks of the trade war. The US-China bilateral trade fell by nearly 15% off the high-point in 2018 amounting to more than 100 billion \$ yearly trade value (Bown, 2021). This was a not uniform decrease, some of the most significant falls were in the technology products since they were at the forefront of the early increases of the tariffs. The consumer goods too suffered great losses but some of the categories recuperated partially as the companies and the consumers adapted to the new price regime (Amiti et al., 2019).

The US government earned \$47 billion more in tariff revenue as compared to the period before the trade war (Guo, et al., 2018). In the contrary, Hoon (2025) argued that US-China trade is highly imbalanced as US imports much more than it export to China. Due to this reason, US businesses and consumers are facing the issue of higher prices on Chinese goods due to tariffs. The US ran a \$295

billion goods deficit with China in 2024 which was partially offset by US surplus service trade with China of \$32 billion (Hoon, 2025).



Figure 2: US Trade with China (1985 – 2024)
(Source: Richter, 2025)

From the above figure, it can be understood that US trade decreased with China by 30% off its peak (Richter, 2025). Nonetheless, economic logic indicates that most of these expenses were transferred to the consumers and businesses of the US instead of being borne directly by the Chinese export products (Cavallo et al., 2021). Researchers have found that most types of products followed a pass-through rate of eighty to ninety percent, which means that Chinese producers were not really paying the cost of the tariffs, but instead, it was a tax on the American consumers (Flaen et al., 2020).

The exports of China to the United States in specific markets had decreased by an average of 32%, and this necessitated Chinese companies to align another market and transform their business strategies (Kong et al., 2024). This move led to a high number of Chinese companies focusing more on domestic consumption, entering other foreign markets and speeding up the investments in more valuable producing systems. The Chinese government took bad and good measures by protecting several industries hit by the trade pressure at the same time taking advantage of this trade pressure to drive the economy further less reliant on exports (Yang et al., 2025).

The side effects of the trade war have indicated to be more wrapping and multifold than the actual impacts of the trade (Huang et al., 2023). There has been a chain of supply chain reorganization at the global level that has resulted in an increment of costs, which is estimated to be 67 billion \$ every year as companies have been compelled to put in place less efficient chain of production and distribution to minimize their chances of exposure to risk of trade wars (Mao &Görg, 2020). The related expenses are new supplier search and qualification costs, excess capacity development costs and additional inventory holding costs to guard against potential supply shocks and transportation costs due to greater complexity of logistics systems.

Effects of third-country trade diversion have resulted in losers and winners of countries that are not directly concerned in the dispute trade (Fajgelbaum et al., 2024). Vietnam, Mexico and India have been among the biggest beneficiaries recording massive growth in exports to both the United States and China as trading flow changed hands to avoid the major warring parties. These returns have however been accompanied by setbacks where a sudden elasticity in the demands of the exports has created bottlenecks in terms of infrastructure development, labor crunch as well as generating pressure on costs in the recipient countries (Benguria et al., 2022).

The macro-economic spillover effects have been manifold and large. The effects of the trade wars have been estimated to decrease the global GDP growth by 0.3% which is equivalent to hundreds of billions of dollars in terms of lost economic output (Li et al., 2020). This can be understood as direct effects of the fall in trade as well as the confidence effects in the economy that has led to fall in business investment and spending in the whole world. The trade war further slowed down international trade that had already been slowing before the trade war on the basis that business was turned away because of uncertainty on future trade policy that made them reluctant to invest in long-term commercial relations (Waugh, 2019).

In addition to financial markets, markets and stock prices in countries and sectors subject to tariffs, quotas, etc. have become so sensitive to trade policy announcements that they exhibit extreme volatility (Jiao et al., 2022). Currencies markets have not been left out as the Chinese yuan has witnessed depreciation pressure whenever there are international trade tensions and have also seen the flight-to-quality safe-haven currencies such as the Japanese yen and Swiss franc equally enjoying the advantage of carry-to-stability (Pierce & Schott, 2020).

2.2.1 Macroeconomic Effects

According to Fajgelbaum et al. (2024), trade war has created significant macroeconomic spillover that inches far beyond the bilateral US-China relationship, which has produced an interconnectedness of economic effects that have touched near all of the major economies. As such, the world economy has been negatively impacted by the various transmission channels such as a decrease in global trade, enhanced uncertainty, and supply chain shocks that have slowed down its productivity and also heightened expenses in various sectors (Huang et al., 2023).

According to the forecast by the International Monetary Fund, trade tensions lowered the global GDP in 2019 alone by about 0.5 percent, and the shocks extended until 2023 (Flaaen, & Pierce, 2019). This effect works by not only influencing the trade through direct trade effects where a decrease in the levels of trade by businesses lowers the growth of the economy directly, but also through an indirect effect of confidence effects that discourage investments in business and cut on consumer spending in operations worldwide. This induces uncertainty when the level of trade policies changes unpredictably leaving businesses to postpone investment decisions, downsize their hiring programs and accumulate precautionary levels of cash instead of investing in productive capacity (Anderson, & van Wincoop, 2003).

Trade wars influences have compelled central banks in different parts of the world to alter their monetary policies. In 2019, the Federal Reserve justified its choice to reduce interest rates on the basis of trade tensions, and European Central Bank and other large central banks change to their policy to address deflationary pressures analogous to trade frictions (Blanchard et al., 2024). These policy responses have alleviated some of the adverse consequences, though they have left the policy space that would be used to respond to any future economic shock, reduced. Caliendo et al. (2019) pointed that the influence on the trade war on the global inflation patterns is also very complex. Tariffs have exerted direct inflationary pressures on those goods which they cover, but in general the deflationary effects of lower economic activity and investment have been stronger. This has made it quite difficult to pursue monetary policymakers who aim at ensuring the stability of prices and promote economic growth. There have been far-reaching changes in labor markets with an adverse impact in terms of loss of jobs in the trade-dependent sector offset more or less through the creation of new jobs in the trade diversion sector. Nonetheless, this has had a net impact of being negative since the jobs created in recipient countries and industries tend to possess different skills as those that are lost in the affected industries thus generating problems in the context of structural unemployment.

2.3 Impact of US-China Trade War on Different Sector

The varying effects in the main areas of the economy indicate the disparate nature of the effects of the trade war and how the selectivity of industries affected has led to pitching of winners and losers

in the circles of the affected national economies (Tu et al., 2020). Special hardships have been felt in the technology sector, because of the steep tariff rates in the technology-related products and because of the nature of the technology industry as the hub of global supply chains (Kong et al., 2024). The 28.4% loss in the volume of technology trade is not only a loss of bilateral trade but also as the result of interruption to complex global systems of production which had been built-up over many decades (Handley et al., 2020).

The platform that has gone through the most intricate effects is the technology industry about semiconductors. Although trade in complete semiconductor commodities shrank massively, trade in semiconductor manufacturing equipment and intermediate products rose in some categories as companies tried to establish alternative supply chains (Li et al., 2020). This has created capacity limits and high prices, in the world semiconductor industry, and impact that is far reaching beyond the initial trade conflict players (Huang et al., 2023).

19.8% decline in the trade volumes of the manufacturing sector from China to the US took place (Fajgelbaum et al., 2024). Manufacturing that requires a high labor force, e.g. textiles, assembly plants, can be moved to other places with less difficulties and hence, countries like Vietnam and Bangladesh have experienced a lot of development over the past years (Yang et al., 2025). Nevertheless, the relocation of capital-intensive manufacturing which demands special equipment and qualified labor force has been proven more problematic, resulting in the ongoing supply chain interruptions and increased expenses (Mao & Görg, 2020).

China imports soybeans, corn, products of pork, cotton, hides, skins, fruits, vegetables, nuts, processed foods, etc. from the US. However, trade war showing the maximum trade disturbances to agricultural products (Waugh, 2019). 21% fall in agricultural trade has severely affected the regions in the United States and China respectively; not only that these regions have become vulnerable but also that such regions had formed long term business relations (Bown, 2021). Chinese agricultural importers have managed to diversify their suppliers hence they have expanded the imports to Brazil, Argentina and other suppliers thus having created a long-term change in the world patterns of agricultural imports (Fajgelbaum et al., 2020).



Figure 3: US Agricultural Exports and China's Tariffs
(Source: TradeImeX, 2018-2025)

The services sector has directly been affected the least, dipping by only 3.7% in terms of job losses in US service sector, although this hides a lot of variation among various forms of services (Benguria et al., 2022). Other business services have seen their services such as financial services

and consulting services being disrupted because of more regulatory scrutiny and loss of business confidence (Jiao et al., 2022). But certain categories of services such as logistics and trade finance have enjoyed the complexity of global relationships of trade (Cavallo et al., 2021). The effects of the employment have been disproportioned with manufacturing absorbing the highest number of jobs lost at a figure of 289,000 (Pierce & Schott, 2020). These aggregate figures however mask some vital differences of region and skill level. Manufacturing with high-skilled job has been less outsourced compared to the routine assembly work, indicating that more complex forms of manufacturing are more difficult to move (Flaaten et al., 2020). Services sectors have in fact demonstrated net employment growth in major parts dealing with logistics, compliance and risk management services as businesses have outsourced their services to deal with more complex operations across the world (Amiti et al., 2019).

Table 1: Sectoral Impact Analysis of US-China Trade War on US

Sector	Trade Volume Change (%)	Price Impact (%)	Employment Effect
Technology	-28.4	+12.7	-145,000 jobs
Agriculture	-22.1	+8.9	-67,000 jobs
Manufacturing	-19.8	+7.4	-289,000 jobs
Raw Materials	-15.2	+5.1	-34,000 jobs
Services	-3.7	+1.2	+23,000 jobs

From the above table, it is identified that technology and manufacturing sectors experienced the most severe disruptions, reflecting their prominence in the trade war's targeting strategy.



Figure 4: US Products Targeted by China
(Source: Salzman, & Liu, 2018)

3. RESEARCH METHODOLOGY

To conduct this research, positivism research philosophy as it emphasizes on using empirical data and scientific methods to understand the social phenomena (Goundar, 2012). This philosophy remained appropriate for this study as it allowed observing and measuring data to analyze them in objective manner. Similarly, inductive research approach is used as it helps to lead the study in a

manner so that new theory introduced instead of surrounding the study to test pre-designed hypothesis (Daniel, & Sam, 2011). For data collection, online available data related to US-China trade war is used. Further, time series statistics, trend analysis and correlation analysis are used to analyze the collected data from the secondary sources. There is special concern given towards ethical parameters so that any kind of legal hinderance can be avoided during paper submission.

4. DATA ANALYSIS

4.1 Time Series Statistics

Table 2: US-China Import Export (2014 – 2022)

Year of Trade	US Imports from China (in billion \$)	US Exports to China (in billion \$)
2014	486.29	123.67
2015	504.04	115.87
2016	481.36	115.59
2017	525.74	129.99
2018	562.7	120.28
2019	470.95	106.44
2020	456.44	124.48
2021	540.07	151.44
2022	575.71	153.83
2023	448.03	147.8
2024	462.63	143.54

(Source: TradeImeX, 2018-2025)

- **Variable 1:** US Imports from China (in billion \$)
- **Variable 2:** US Exports to China (in billion \$)
- **Time Dimension:** 2014 to 2024 (11 years)

4.2 Trend Analysis



Figure 5: US Imports from China (2014 – 2022)
(Source: Created by Researcher)

Above graph helps to analyze that US imports from China is showcasing steadily increasing trend from 2014 to 2018. At 2018, it was at a peak (just before the trade war strengthened). Further, in 2019 and 2020, sharp decline took place which reflects the impact of tariffs and trade barriers imposed during the conflict. However, due to rebound in 2021 and 2022 again increasing trend can be seen however, another decline occurs in 2023 which represents lingering effects or policy shifts.

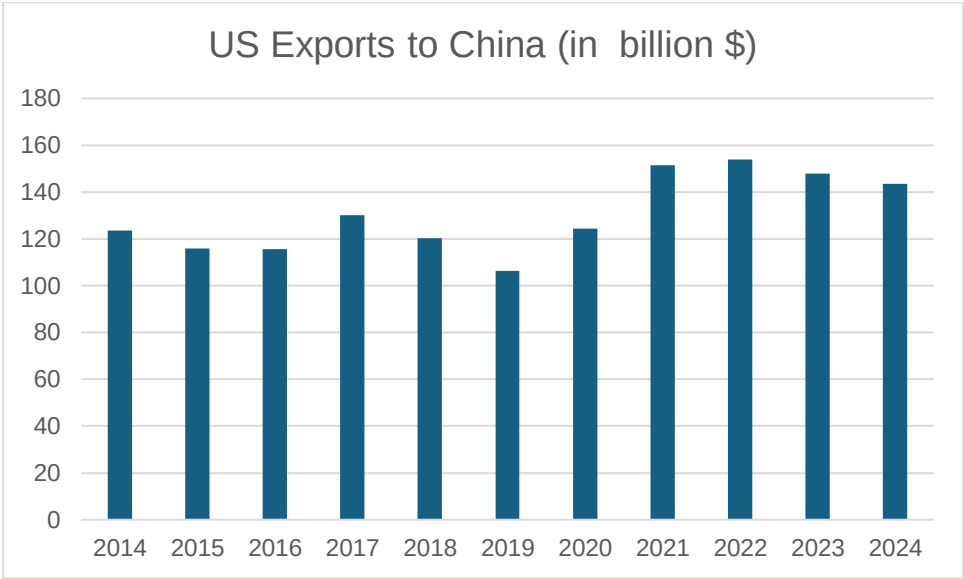


Figure 6: US Exports to China (2014 – 2022)
(Source: Created by Researcher)

From the above graph, it can be analyzed that US exports to China is showcasing fluctuating trend with a notable rise during 2020 to 2022, possibly due to ease in tensions or partial agreements.

4.3 Correlation Analysis

Table 3: Correlation Analysis

	US Imports from China (in billion \$)	US Exports to China (in billion \$)
US Imports from China (in billion \$)	1	
US Exports to China (in billion \$)	0.257322406	1

(Source: Created by Researcher)

From the above table, it is identified that the value of correlation coefficient (r) is 0.2573 which indicates weak positive correlation between US imports from China and US exports to China from 2014 to 2024. Hence, it helps to interpret that changes in imports are not strongly associated with changes in exports as when imports rise or fall, exports are not following the similar trend. It reflects policy decisions, tariffs, and retaliatory actions during the US-China trade war has asymmetrically affected imports and exports. This low correlation also aligns with the reality US-China trade is highly imbalanced as US importing much more than it exports to China (Hoon, 2025). Above finding has shown similarity with the views of Mao & Görg (2020) that the relocation of capital-intensive manufacturing demands special equipment and qualified labor force which is proven more problematic and created the issue of ongoing supply chain interruptions and increase in expenses.

From the above data analysis, it can be summarized that the trade war demonstrates both the costs and limitations of unilateral trade actions. While tariffs can achieve specific political objectives and provide short-term protection for domestic industries, they generate substantial economic costs and often fail to address underlying structural issues. The experience suggests that multilateral approaches through international institutions may be more effective for addressing trade disputes and unfair practices. The recent US-EU cooperation on technology standards and trade issues represents a potentially more sustainable model.

6. CONCLUSION AND RECOMMENDATIONS

6.1 Conclusion

The US-China trade war is a watershed moment in the development of the global economy, signaling a clear departure from the post-Cold War consensus regarding free trade and economic integration. The evidence shows that the trade war has imposed significant economic costs, and has only achieved limited success in alleviating structural problems that motivated its start. Moreover, correlation analysis demonstrates that US-China trade war has asymmetrically effect on US imports and exports as US importing much more than it exports to China (from time series statistics and trade analysis) hence, it is giving more negative impact on US as compared to China, especially in regards to supply chain disruption. Additionally, it is identified that technology and manufacturing industry have faced severe disruptions due to this trade war.

Perhaps most crucially, the trade war has hastened ongoing trends toward economic fragmentation and technological decoupling that may last long after the substantive trade disputes have been settled. Although it observed a shift in the narrative, the global economy seems to be moving toward a further fragmented future with multiple regional blocs, rather than the integrated global system that defined the last three decades. For the trade policy community, the trade war presented important lessons about the costs and limitations of unilateral trade policy. In summary, while tariffs can accomplish short-term political goals, expedited tariffs incur significant economic costs and do not address the root causes of fundamental structural issues. Thus, the trade policy environment of the future should continue to prioritize approachable multilateral objectives and comprehensive institutional reform, instead of aggressive, unilateral trade confrontation.

The future will require astute navigation between legitimate concerns over unfair trade practices, and the considerable advantages existing in an integrated economy. The challenge which lies ahead for policymakers is the proffering of frameworks which address structural issues while integrating economic entitlements of international trade and cooperation.

6.2 Recommendations for Future Policy

Based on this study, several policy recommendations emerge. They are as follow:

- **Gradual De-escalation:** Phased reduction of tariffs with clear benchmarks for progress
- **Multilateral Coordination:** Enhanced cooperation through WTO and regional trade agreements
- **Supply Chain Resilience:** Policies to support diversification without excessive fragmentation
- **Technology Governance:** Development of international frameworks for technology transfer and protection

7. LIMITATIONS AND FUTURE RESEARCH

7.1 Study Limitations

This study faces several limitations that should be acknowledged. The relatively short time period since the trade war's initiation limits our ability to assess long-term structural effects. Additionally, the COVID-19 pandemic's concurrent occurrence complicates attribution of economic effects solely to trade war measures.

Data limitations also constrain the analysis, particularly regarding services trade and foreign direct investment flows, which are reported with significant lags and potential measurement errors.

7.2 Future Research Directions

Future research should examine the long-term structural changes in global trade patterns as more data becomes available. Sectoral studies focusing on specific industries would provide deeper insights into adjustment mechanisms and policy effectiveness.

Additionally, research on the political economy of trade war termination and the design of sustainable trade agreements would inform future policy discussions.

Author Note:

This paper is the outcome of an independent research project undertaken by Aarush Chopra, a passionate Class 12 student from India with deep interest in international trade, economic diplomacy, and geopolitics. The research began as part of a school assignment but gradually developed into a comprehensive academic endeavor. Aarush collaborated with an experienced academician who guided the theoretical and methodological framework while preserving the student's original insights and effort. This unique collaboration highlights the value of early academic curiosity and mentorship across educational levels.

Declaration of Conflict of Interest: The authors declare no conflict of interest.

Funding Statement: No external funding was received for this study.

REFERENCES

1. Amiti, M., Redding, S. J., & Weinstein, D. E. (2019). The impact of the 2018 tariffs on prices and welfare. *Journal of Economic Perspectives*, 33(4), 187-210. <https://doi.org/10.1257/jep.33.4.187>
2. Anderson, J. E., & van Wincoop, E. (2003). Gravity with gravitas: A solution to the border puzzle. *American Economic Review*, 93(1), 170-192. <https://doi.org/10.1257/000282803321455214>
3. Autor, D., Beck, A., Dorn, D., & Hanson, G. H. (2024). Help for the heartland? The employment and electoral effects of the Trump tariffs in the United States. *American Economic Review: Insights*, 6(1), 19-34. <https://doi.org/10.1257/aeri.20220533>
4. Benguria, F., & Saffie, F. (2020). The impact of the 2018-2019 trade war on U.S. local labor markets. *SSRN Working Paper*, 3542362. <https://doi.org/10.2139/ssrn.3542362>
5. Benguria, F., & Saffie, F. (2025). Beyond tariffs: How did China's state-owned enterprises shape the US-China trade war? *NBER Working Paper*, No. 33599. <https://doi.org/10.3386/w33599>
6. Benguria, F., Choi, J., Swenson, D. L., & Xu, M. (2022). Anxiety or pain? The impact of tariffs and uncertainty on Chinese firms in the trade war. *Journal of International Economics*, 137, 103608. <https://doi.org/10.1016/j.jinteco.2022.103608>
7. Blanchard, E. J., Bown, C. P., & Chor, D. (2024). Did Trump's trade war impact the 2018 election? *Journal of International Economics*, 148, 103805. <https://doi.org/10.1016/j.jinteco.2024.103805>
8. Bleakley, H., & Lin, J. (2012). Portage and path dependence. *Quarterly Journal of Economics*, 127(2), 587-644. <https://doi.org/10.1093/qje/qjs011>
9. Bonadio, B., Huo, Z., Levchenko, A. A., & Pandalai-Nayar, N. (2021). Global supply chains in the pandemic. *Journal of International Economics*, 133, 103534. <https://doi.org/10.1016/j.jinteco.2021.103534>
10. Bown, C. P. (2021). The US-China trade war and Phase One Agreement. *Journal of Policy Modeling*, 43(4), 805-843. <https://doi.org/10.1016/j.jpolmod.2021.02.009>
11. Caliendo, L., Dvorkin, M., & Parro, F. (2019). Trade and labor market dynamics: General equilibrium analysis of the China trade shock. *Econometrica*, 87(3), 741-835. <https://doi.org/10.3982/ECTA13758>
12. Callaway, B., & Sant'Anna, P. H. (2021). Difference-in-differences with multiple time periods. *Journal of Econometrics*, 225(2), 200-230. <https://doi.org/10.1016/j.jeconom.2020.12.001>
13. Cavalcanti, T., Ogeda, P., & Ornelas, E. (2025). The US-China trade war created jobs (elsewhere). *CEPR Discussion Paper*, DP18870. Available at: <https://cepr.org/publications/dp18870>
14. Cavallo, A., Gopinath, G., Neiman, B., & Tang, J. (2021). Tariff pass-through at the border and at the store: Evidence from US trade policy. *American Economic Review: Insights*, 3(1), 19-34. <https://doi.org/10.1257/aeri.20190536>

15. Charoenwong, B., Chong, A., & Harford, J. (2020). The effect of trade war on global supply chains. *Working Paper*, University of Washington. Available at: <https://ssrn.com/abstract=3631714>
16. Chen, T., Hsieh, C. T., & Song, Z. M. (2022). Non-tariff trade barriers in the U.S.-China trade war. *NBER Working Paper*, No. 30505. <https://doi.org/10.3386/w30505>
17. Chor, D., & Li, B. (2024). Illuminating the effects of the US-China tariff war on China's economy. *Journal of International Economics*, 150, 103910. <https://doi.org/10.1016/j.jinteco.2024.103910>
18. Daniel, P. S., & Sam, A. G. (2011). *Research methodology*. Gyan Publishing House.
19. Fajgelbaum, P. D., Goldberg, P. K., Kennedy, P. J., & Khandelwal, A. K. (2020). The return to protectionism. *Quarterly Journal of Economics*, 135(1), 1-55. <https://doi.org/10.1093/qje/qjz036>
20. Fajgelbaum, P., Goldberg, P., Kennedy, P., Khandelwal, A., & Taglioni, D. (2024). The US-China trade war and global reallocations. *American Economic Review: Insights*, 6(2), 295-312. <https://doi.org/10.1257/aeri.20230094>
21. Fetzer, T., & Schwarz, C. (2021). Tariffs and politics: Evidence from Trump's trade wars. *Economic Journal*, 131(636), 1717-1741. <https://doi.org/10.1093/ej/ueaa122>
22. Flaaen, A., & Pierce, J. R. (2019). Disentangling the effects of the 2018-2019 tariffs on a globally connected U.S. manufacturing sector. *Finance and Economics Discussion Series*, 2019-086. <https://doi.org/10.17016/FEDS.2019.086>
23. Flaaen, A., Hortaçsu, A., & Tintelnot, F. (2020). The production relocation and price effects of US trade policy: The case of washing machines. *American Economic Review*, 110(7), 2103-2127. <https://doi.org/10.1257/aer.20190611>
24. Goldberg, P. K., & Pavcnik, N. (2016). The effects of trade policy. *Handbook of Commercial Policy*, 1, 161-206. <https://doi.org/10.1016/bs.hescop.2016.04.002>
25. Goldsmith-Pinkham, P., Sorkin, I., & Swift, H. (2020). Bartik instruments: What, when, why, and how. *American Economic Review*, 110(8), 2586-2624. <https://doi.org/10.1257/aer.20181047>
26. Goswami, P. (2020). The impact of the 2018 trade war on US employment. *Economics Letters*, 194, 109362. <https://doi.org/10.1016/j.econlet.2020.109362>
27. Goundar, S. (2012). Research methodology and research method. *Victoria University of Wellington*, 1(1), 1-47.
28. Guo, M., Lu, L., Sheng, L., & Yu, M. (2018). The day after tomorrow: Evaluating the burden of Trump's trade war. *Asian Economic Papers*, 17(1), 101-120. https://doi.org/10.1162/asep_a_00592
29. Handley, K., Kamal, F., & Monarch, R. (2020). Rising import tariffs, falling export growth: When modern supply chains meet old-style protectionism. *American Economic Review*, 110(10), 3195-3221. <https://doi.org/10.1257/aer.20190550>
30. Hoon, K. (2025). The U.S. Trade Deficit: How Much Does It Matter? Retrieved from: [https://www.cfr.org/backgrounder/us-trade-deficit-how-much-does-it-matter#:~:text=The%20largest%20U.S.%20bilateral%20trade,with%20China%20of%20\\$32%20billion\).](https://www.cfr.org/backgrounder/us-trade-deficit-how-much-does-it-matter#:~:text=The%20largest%20U.S.%20bilateral%20trade,with%20China%20of%20$32%20billion).)
31. Huang, Y., Lin, C., Liu, S., & Tang, H. (2023). Trade networks and firm value: Evidence from the US-China trade war. *Journal of International Economics*, 140, 103689. <https://doi.org/10.1016/j.jinteco.2022.103689>
32. International Monetary Fund. (2020). World Economic Outlook: A long and difficult ascent. Washington, DC: International Monetary Fund. <https://doi.org/10.5089/9781513557731.081>
33. Jiang, Y., Qiu, L. D., & Wang, W. (2023). Trade war and firm heterogeneity: Evidence from China. *Review of International Economics*, 31(3), 854-877. <https://doi.org/10.1111/roie.12648>
34. Jiao, W., Zhang, Y., & Chen, L. (2022). The impact of the US-China trade war on Chinese firms' exports: Evidence from matching data. *China Economic Review*, 71, 101731. <https://doi.org/10.1016/j.chieco.2021.101731>

35. Kong, D., Liu, S., & Wang, Y. (2024). The US–China trade war and corporate innovation: Evidence from China. *Financial Management*, 53(1), 65-103. <https://doi.org/10.1111/fima.12454>
36. Lake, J., & Nie, J. (2023). Did tariffs make America great? Evidence from the 2016 election. *European Economic Review*, 153, 104403. <https://doi.org/10.1016/j.euroecorev.2023.104403>
37. Li, M., Balistreri, E. J., & Zhang, W. (2020). The US–China trade war: Tariff data and general equilibrium analysis. *Journal of Asian Economics*, 69, 101216. <https://doi.org/10.1016/j.asieco.2020.101216>
38. Liu, T., & Woo, W. T. (2018). Understanding the US-China trade war. *China Economic Journal*, 11(3), 319-340. <https://doi.org/10.1080/17538963.2018.1516256>
39. Mao, H., & Görg, H. (2020). Friends like this: The impact of the US-China trade war on global value chains. *The World Economy*, 43(7), 1776-1811. <https://doi.org/10.1111/twec.12980>
40. Organisation for Economic Co-operation and Development. (2020). OECD Economic Outlook, Volume 2020 Issue 1. Paris: OECD Publishing. <https://doi.org/10.1787/0d1d1e2e-en>
41. Pierce, J. R., & Schott, P. K. (2020). Trade liberalization and mortality: Evidence from US counties. *American Economic Review*, 110(10), 3137-3172. <https://doi.org/10.1257/aer.20180396>
42. Richter, F. (2025). U.S. Trade Deficit with China Is 30% Off Its Peak. Retrieved from: <https://www.statista.com/chart/17982/us-trade-in-goods-with-china-since-1985/>
43. Salzman, A., & Liu, E. (2018). The Brewing U.S.-China Trade War, Explained in Charts. Retrieved from: <https://www.barrons.com/articles/the-brewing-u-s-china-trade-war-explained-in-charts-1523052689>
44. Sheng, T., Zhou, W., & Song, L. (2023). The China-US trade war and China's economic resilience. *Economic Modelling*, 118, 106100. <https://doi.org/10.1016/j.econmod.2022.106100>
45. TradeImeX (2018-2025). US-China Trade War: China responds with additional tariffs up to 15% on U.S. goods. Retrieved from: <https://www.tradeimex.in/blogs/us-china-trade-war-china-imposes-additional-tariffs>
46. Tu, Y., Liu, F., & Chen, D. (2020). The impacts of the US-China trade war on bilateral trade, third-country trade, and welfare: A quantitative analysis using SMART model. *Economic Analysis and Policy*, 68, 140-155. <https://doi.org/10.1016/j.eap.2020.09.007>
47. United States Trade Representative. (2020). 2020 Report to Congress on China's WTO compliance. Washington, DC: Office of the United States Trade Representative.
48. Waugh, M. E. (2019). The consumption response to trade shocks: Evidence from the US-China trade war. *NBER Working Paper*, No. 26353. <https://doi.org/10.3386/w26353>
49. World Trade Organization. (2020). Trade set to plunge as COVID-19 pandemic upends global economy. *WTO Press Release*, PRESS/855. Available at: https://www.wto.org/english/news_e/pres20_e/pr855_e.htm
50. Yang, T., Lau, W. Y., & Abdul Bahri, E. N. (2025). The impact of US-China trade war on China's exports: Evidence from difference-in-differences model. *SAGE Open*, 15(1). <https://doi.org/10.1177/21582440251328482>