

The State of Play in International Trade and Trade Policy I: Trade Wars

**Bown & Kolb, “Trump’s Trade War Timeline: An Up-to-Date Guide,” PIIIE,
December 31, 2023.**

- With what countries was the US engaged in a trade war, in the sense that we used tariffs against them, and they responded with tariffs against us?
- What have been the legal bases (within the US) for tariffs and threats of tariffs on solar panels, washing machines, steel, aluminum, Chinese exports, cars, and Mexico?
- To what extent have the US and other countries used the World Trade Organization in these disputes?
- What is the current status of the trade war with China?
- To what extent has President Biden Reversed the tariffs begun by Trump?
- What main new actions have happened under Biden?

Steel & Aluminum:

**Reuters, “Biden extends EU steel, aluminum tariff exemption for 2 years,” *Reuters*,
December 28, 2023.**

- How high were the tariffs before the suspension?
- When were they suspended and against whom?
- What were the tariffs replaced with?
- How are non-EU exports treated?

**Rampell, Catherine, “The terrible lesson Biden learned from Trump on trade,”
Washington Post, April 18, 2024.**

- What policy action prompted this article (not mentioned in the headline)?
- What effect does this say tariffs on steel have on jobs in the US, and why?
- Will this policy, only on exports from China, be as costly? What other policy is mentioned that would be more so?
- How does the shipbuilding industry enter this article?
- What policy has Trump said he will enact if reelected, and how has Biden responded?

Optional to Read:

**Wall Street Journal Editorial Board, "Call Them the Biden-Trump Tariff S
Now," *Wall Street Journal*, October 26, 2022.**

- Does this explain the headline?
- If an industry doesn’t use imported inputs, is it immune from the tariffs?

- Is aluminum from Canada subject to the tariffs?

China Tariffs:

Swanson, Ana, "The Contentious U.S.-China Relationship, by the Numbers," *New York Times*, July 7, 2023.

- Is China's economy bigger or smaller than the US economy?
- How much has China contributed to global infrastructure and through what initiative? Can you tell how this compares to what the US has done?
- How does China's military size and capability compare to the US?
- Where does China stand as a trading partner of the US?
- Does China make cars?
- Is the US eager to export all products to China?

White House, "FACT SHEET: President Biden Takes Action to Protect American Workers and Businesses from China's Unfair Trade Practices," *United States White House*, May 14, 2024.

- What actions by China are these new tariffs a response to, and under what US law?
- What is the main evidence cited to China's actions?
- How do these policies by Biden differ from those of Trump and Republicans?
- Are all the new tariffs in high-technology sectors?
- How large are the new tariffs, and when will they be implemented?

Foroohar, Rana, "Not all American tariffs are created equal," *Financial Times*, May 20, 2024. [3p]

- How do Biden's and Trump's tariff differ, according to this?
- Why does the author dismiss standard economic analyses of trade?
- What other reasons does the author give to justify Biden's tariffs on China?
- In what sense mentioned here does the US rely on China for energy?

Bounds, Andy, Alice Hancock, and Gloria Li, "EU to hit Chinese electric cars with tariffs of up to 48%," *Financial Times*, June 12, 2024.

- On what basis is the EU imposing higher tariffs on China's EVs?
- When are the tariffs to go into effect? Is it possible that they won't?
- Why are the new tariffs not the same for all EV makers in China?
- How large is China's tariff on imported EVs? How large was the EU's tariff on EVs before these new ones were added to it?
- By how much has China's share of EU EVs increase since 2020?
- The Kiel Institute estimated by how much imports of EVs would fall due to a 20% tariff? What did they say, and what does this suggest about the elasticity of demand for imports?

Williams, Aime, "US targets Chinese steel exports with tariffs on shipments via Mexico," *Financial Times*, July 10, 2024.

- The tariff on steel from China was already 25%. What is different here?
- What are the political and economic reasons for doing this?
- What percentages of steel and aluminum from Mexico will be subject to these tariffs?

Optional to Read:

Manak, Inu, Gabriel Cabanas, and Natalia Feinberg, "The Cost of Trump's Trade War With China Is Still Adding Up," Blog Post, Council on Foreign Relations, April 18, 2023.

- What reviews have been undertaken of Trump's tariffs on China?
- What is the consensus of the feedback?
- What the economist studies say?
- Did Biden approve of the tariffs before he was elected?
- How did the tariffs on imports affect US exports?
- Did the tariffs achieve their objective of changing China's behavior?
- One responder said the tariffs caused them to move their production to China. Why would that be?

Bown, Chad P. and Yilin Wang, "Five Years Into the Trade War, China Continues Its Slow Decoupling From US Exports," *Realtime Economics*, Peterson Institute of International Economics, March 16, 2023.

- What is the main conclusion of this article regarding the "decoupling" of the US and China?
- Most of the focus here is on US exports to China. Are there any that expanded in 2022?
- What comparison do the authors use to infer what has happened, as opposed to whether the data just rise or fall?

Warner, Bernhard, "How Companies Dodge Tariffs," *New York Times*, May 18, 2024.

- The headline says that companies "dodge tariffs." How do they do that, according to this?
- What negatives does this mention from tariffs?
- What industrial policies do economists favor instead of tariffs?

Semiconductors:

Mozur, Paul and John Liu, Nicholas, "With Ban on Micron, China Escalates Microchip Clash With U.S.," *New York Times*, May 22, 2023.

- What was China's claimed basis for blocking purchases of chips from Micron?
- What actions had the US taken previously that might have motivated this?
- What actions had China taken previously in this area?

Sohn, Jiyoung, Yang Jie, and Rhiannon Hoyle, "China's Export Curb on Chip-Making Metals Prompts Countries to Explore Supply-Chain Diversification," *Wall Street Journal*, July 5, 2023.

- Who is China targeting with its new restrictions on exports of gallium and germanium?
- What are the aims of China and the US?
- What steps does South Korea say it will pursue to deal with this?
- Does China have a natural monopoly on these materials?

Optional to Read:

Hayashi, Yuka and John D. McKinnon, "U.S. Looks to Restrict China's Access to Cloud Computing to Protect Advanced Technology," *Wall Street Journal*, July 4, 2023.

- Why is restriction of Chinese access to US cloud services closing a loophole in previous US export restrictions?
- What had China done just before this announcement?
- What else is the US worried about China cutting off?
- Is the US alone in taking actions against China?

Economist, "Castles made of silicon: Should the world fear China's chipmaking binge?" *The Economist*, June 6, 2024,

- Is China the only one subsidizing chip manufacture?
- What is the main policy, other than subsidies, that has impacted China's chipmaking ability?
- Has China taken over the market for chips, and how are the US and EU responding? ">