

China-US Trade War Escalation: Tariffs Rise to 125%

China has announced a significant escalation in the ongoing trade war with the United States, raising tariffs on US goods to 125% from the previously announced 84%. This increase will take effect from Saturday, marking a new chapter in the economic tensions between the world's two most powerful economies.

Beijing's State Council Tariff Commission criticized the US for imposing "abnormally high tariffs" that "seriously violate international trade rules, basic economic laws and common sense." The Chinese Commerce Ministry has warned that if the US continues to "substantially infringe upon China's rights and interests," China will "resolutely counterattack and fight to the end."



by OJAANK IAS



Market Reactions to Tariff Announcements

0%

S&P 500 Futures

Flat after initial decline

0.2%

NASDAQ Futures

**Slight increase despite
tensions**

-0.2%

DOW Futures

**Minor decrease following
announcement**

US stock index futures initially turned lower after China announced the additional tariffs on US goods. However, the market reaction was relatively contained, with S&P 500 e-mini futures remaining flat, NASDAQ futures showing a slight increase of 0.2%, and DOW futures experiencing a minor decrease of 0.2%.

Trump's Tariff Strategy Against China



90-Day Tariff Pause

Trump announced a temporary pause on tariffs for dozens of countries after market disruptions



China Tariff Increase

Despite the pause for other nations, tariffs on Chinese imports were raised



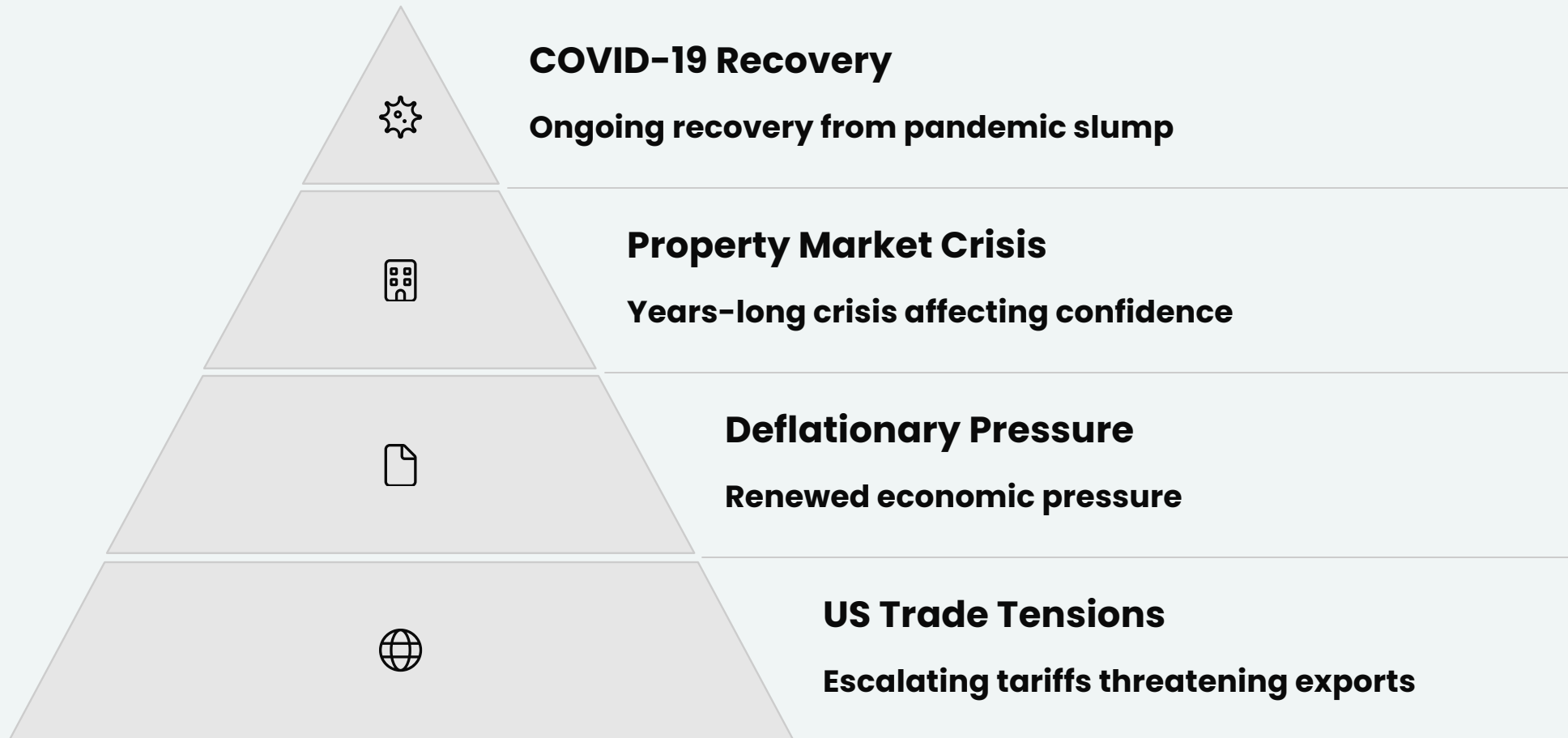
145% Effective Rate

US tariffs on Chinese goods reached an effective rate of 145%

While Trump announced a 90-day tariff pause for dozens of countries after his rapid-fire duties caused financial market turbulence, he specifically targeted China with increased tariffs. This selective approach has raised the effective tariff rate on Chinese imports to 145%, highlighting China as a particular focus in the administration's trade policy.



China's Economic Challenges



The trade spat with the United States comes at a challenging time for Chinese policymakers who have been struggling to revitalize the economy after the COVID-19 slump. Domestic demand remains sluggish due to weak confidence in the face of a years-long property market crisis and renewed deflationary pressure.



Honoring the architect of our Constitution on

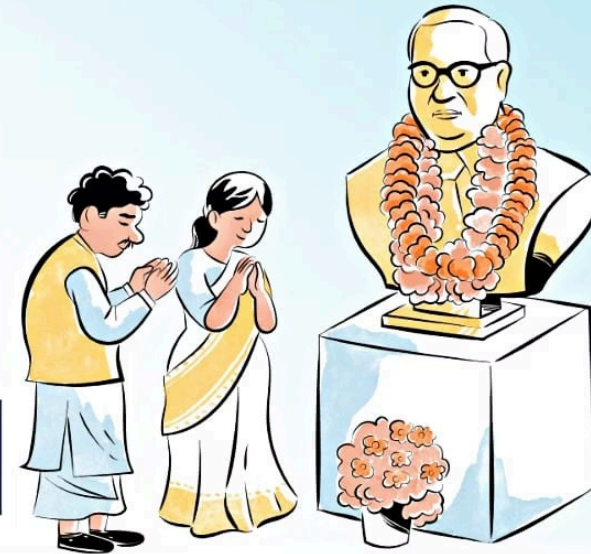
14th April

AMBEDKAR JAYANTI OFFER

CSAT: ~~Rs. 5000~~ **Rs. 3000**

Ethics: ~~Rs. 8000~~ **Rs. 5000**

Newspaper ~~Rs. 2000~~ **Rs. 500/month**
360:



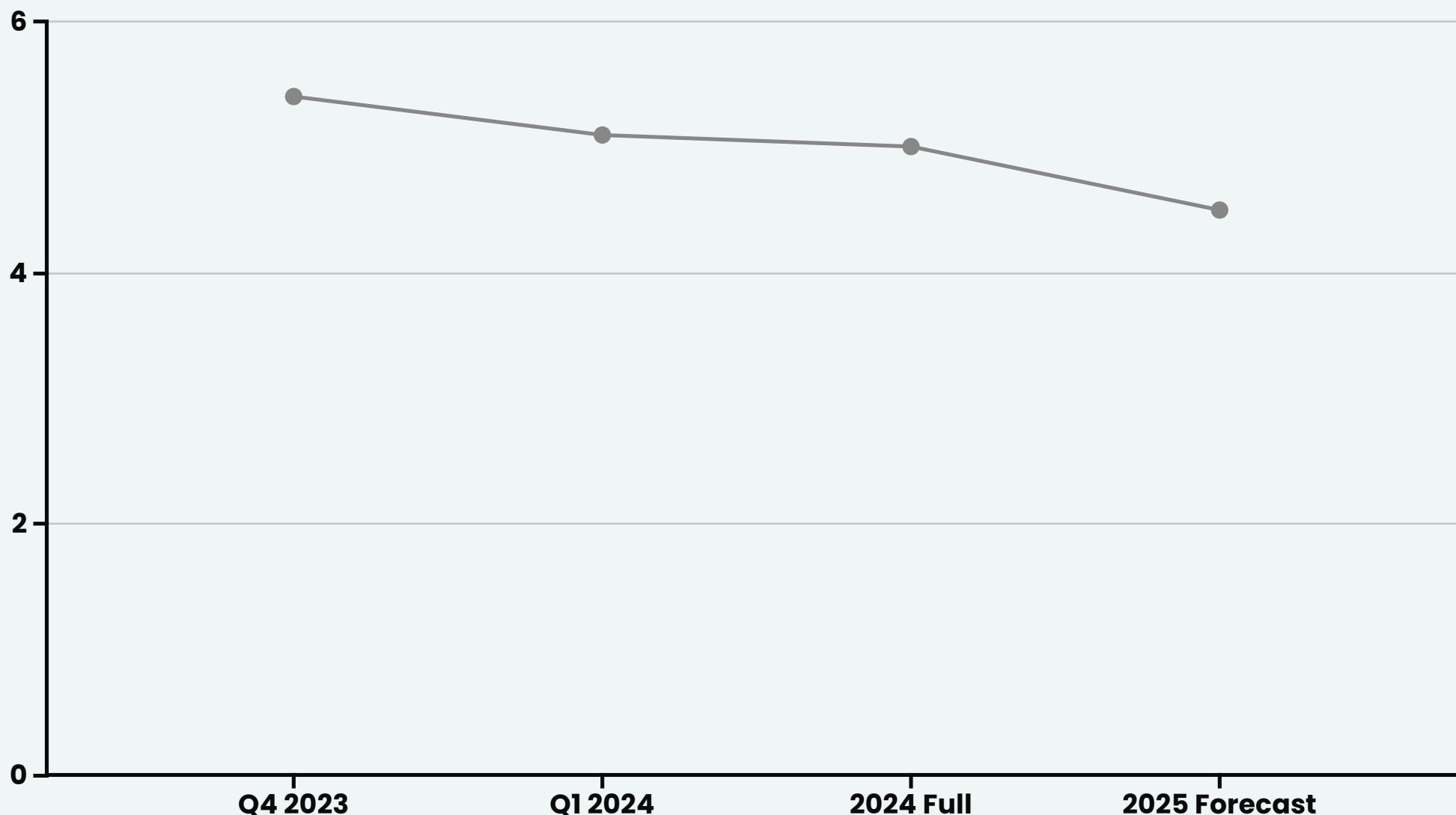
8750711100/22/33/44/55



8285894079

Ojaank IAS में Admission लेने लिए दिए गए link पर Click करके Form भरें -
<https://forms.gle/VWwCtrJJxQkLDJwt6>

China's Economic Growth Forecast



According to a Reuters poll of 57 economists, China's GDP growth in the first quarter of 2024 is forecast at 5.1% year-on-year, slowing from 5.4% in the October–December quarter of 2023. The economic slowdown is expected to continue, with growth likely to further decelerate to 4.5% in 2025, compared with last year's 5.0% pace.

This projected growth falls short of the official target of around 5.0%, indicating significant challenges ahead for the world's second-largest economy as it navigates both domestic issues and international trade tensions.

Impact of US Tariffs on China's Economy

Financial Stability Threat

The escalating US tariffs pose one of the biggest challenges to China's financial stability in recent years, potentially disrupting trade flows and investment patterns.

Growth Impediment

With tariffs reaching "eye-watering levels," China's export-oriented sectors face significant headwinds that could further slow economic growth beyond current projections.

Stimulus Pressure

The tariff situation is ramping up pressure for more economic stimulus measures from Chinese policymakers to counteract external trade pressures.

The world's second-largest economy, which got off to a bumpy start this year, is facing one of its biggest challenges to its financial stability and growth as U.S. President Donald Trump ratchets up tariffs on its goods to eye-watering levels.

Global Economic Implications



The escalating trade war between the US and China has implications far beyond these two economies. As the world's two largest economic powers engage in retaliatory tariff measures, global supply chains face disruption, international trade flows are altered, and worldwide economic growth prospects may be dampened.

Future Outlook and Strategic Considerations



Strategic Positioning

Both nations using tariffs as leverage in broader economic and geopolitical competition



Negotiation Potential

Possibility of future trade talks to resolve differences and reduce tariffs



Manufacturing Shifts

Companies potentially relocating production to avoid tariff impacts



Policy Adaptation

Both countries likely to implement domestic policies to mitigate trade war effects

As the trade war continues, both nations face critical strategic decisions. China's warning that it will "fight to the end" suggests a prolonged period of economic tension may lie ahead. Companies and investors worldwide will need to adapt to this new reality of heightened tariffs and trade restrictions between the world's two largest economies.

Follow Ojaank Sir



IAS with Ojaank Sir



Ojaank_Sir



IAS with Ojaank Sir

Free **PDF** Content
पाने के लिए अभी JOIN करें



8285894079



8285894079

👉 ऐसी ही UPSC Special Current News PDF के लिए Visit करें हमारी Official Website : www.ojaank.com

👉 DAILY FREE ENGLISH NEWS PDFs Link :

<https://www.ojaank.com/books/current-affairs-magazine>

👉 DAILY FREE ENGLISH NEWS PDFs Link : <https://www.ojaank.com/hindi/books/current-affairs-magazine>