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How China Plans to Defeat Trump's 'Global War on Trade'

US President Trump's so-called "Liberation Day" tariffs mark the beginning of the 'Global War on Trade' (GWOT), with China as the primary target.



However, Beijing has already begun to implement its multilayered countermeasures, which will, on the one hand, protect China from the impact of tariffs and, on the other hand, globally isolate the US.

Trump's 'Global War on Trade' and China's Response

China no longer has to project and frame Washington as an unreliable ally

US President Donald Trump's huge tariffs on almost 60 nations worldwide have sent a global shock. The major target of what is appropriately a 'Global War on Trade' – which has striking similarity to the 'Global War on Terror' the Bush administration had started following the September 11, 2001 attacks in the US – aims to 'protect' the US from economic threats. This hard-core economic nationalism ('economic security') is, however, different from the 'Global War on Terror' insofar as it is being waged, not against non-state actors, i.e., terror organizations, but against states that Washington has deep economic ties

with. One key state is China. Trump's tariffs have already pushed China into adopting fundamental countermeasures. Therefore, unlike the 'Global War on Terror' in which the US had the advantage of power asymmetry, the 'Global War on Trade' lacks this advantage.

In the last week of March, the bosses of some of the world's major companies met with China's leader in Beijing. The message was simple yet geopolitically appropriate. China expects global pushback against Trump's hyper-economic nationalism. Therefore, Beijing, positioning itself as the major state affected by Trump's war, urged the CEO's of those 40 companies who attended that "We need to work together to maintain the stability of global industry and supply chains, which is an important guarantee for the healthy development of the world economy." This meeting was/is important for several reasons.

First, Xi himself met with the company bosses, which indicates Beijing's seriousness. Second, the fact that this meeting successfully took place shows China's eagerness to deepen its 'trade diplomacy' from bilateral, trilateral, and multilateral platforms down to the international business community itself. China, in other words, is digging deep to build its fences against Trump's onslaught. Third, the fact that a majority of these companies, e.g., Mercedes, AstraZeneca, FedEx, Aramco, and Standard Chartered, are globally based means China is actually mobilizing global business and public opinion against Washington. Fourthly, at the heart of Xi's message was not any form of protectionism. In fact, against Trump's 'economic nationalism', Xi emphasised globalization and the imperatives of protecting it. It is for this reason that Xi mainly projected China's willingness to improve market access and ensuring much better lines of communication between companies and the Chinese government than was the case in the past. (Xi's meeting with company bosses was a perfect manifestation of this policy of regular, open contact for uninterrupted business). "China's door will only open wider. The policy of welcoming foreign investment has not changed and will not change," said the president, adding that "China has been and will remain an ideal, secure, and promising destination for foreign investors. Embracing China is embracing opportunities, believing in China is believing in a better tomorrow, and investing in China is investing in the future".

A China-backed Global Allies against Washington

In addition to such companies, China is also working towards consolidating its ties with nations affected by Trump's tariffs. The fact that Trump targeted 60 different states, including old US allies, means China no longer has to project and frame Washington as an unreliable ally; Trump's policies are already proving more than sufficient in this regard. With Wednesday, April 2, announcements, Trump increased the levy on Chinese exports to the

United States from 20 to 54 percent. He also slapped duties of 24 and 25 percent on Japan and South Korea, respectively — both key security allies in the region and major trading partners — and 32 percent on Taiwan – a territory Joe Biden vowed to protect, including militarily, from any assault by China. Ironically, while China has not launched any offensive on Taiwan, Washington already has. Can Washington still be relied upon? Taiwan’s executive branch called the measures “seriously unreasonable.” Beyond Taiwan, this is a question that every capital in all 60 states is asking, and this is one question that can allow China to build a global, informal alliance (of these 60 states) to mobilize for protecting the rules of the game Washington is trying to change. “This will not only impact the economic relationship between Japan and the United States, but also have significant repercussions on the global economy and the multilateral trade system as a whole,” Japan’s Ishiba said, adding that, “We have serious concerns.”

The European Union is one potential ally. It has been hit with a 20 percent blanket tariff and is ready to respond if talks with Washington fail, said the head of the EU executive branch, European Commission President Ursula von der Leyen. Most of these 60 states, at this stage, are promising reciprocal measures. Like China itself, they appear to be playing a long game, waiting for Trump to blink first. But most American political pundits understand and have a consensus that Trump’s policy is unlikely to change, not unless he is voted out of power. By that time, the world would have already adjusted to the new reality of American ‘economic nationalism’, which will ultimately hinder any new administration in the US from simply going back to the pre-Global War on Trade normal. The GWOT will be the new normal, with the US no longer the centre of the so-called ‘free world’.

Salman Rafi Sheikh, April 09, 2025

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