

U.S.-China and Trade Frictions: How Much Worse Will It Get?

Thursday, June 13, 2024
9:00am - 10:00am EDT
Virtual (Zoom)

Aggravated trade tensions are once again rising to the fore in U.S.-China relations. In mid-May, President Biden confirmed the Trump administration's Section 301 tariffs on China and proceeded to heap additional tariff raises on semiconductors, EVs, batteries, and solar cells. In late-May, Treasury Secretary Yellen sounded the alarm on Chinese 'overcapacity', calling it a "threat to the development of clean energy industries around the world". The recent G7 Finance Ministers statement vows to "ensure a level playing field, in line with WTO principles" to counter China's "comprehensive use of non-market policies and practices". China strenuously denies these charges, pointing to its competitive edge in many clean energy industries. How will it respond to the U.S.' tariff measures? Will it continue to maintain a low-key approach?

Later this June, Trump and Biden will square off in their first presidential debate, vowing to be tougher than the other in responding to the 'Second China Shock'. What is the outlook for U.S. trade policy in the months and years ahead? Is protectionism here to stay? How are U.S.-China trade and industrial policy tensions expected to play out during this election year? Across the Atlantic, the European Commission is priming its trade defense instruments against Chinese EV imports. Will it also use its Foreign Subsidies Regulation rulebook to push back against the likely torrent of Chinese greenfield EV investment that has begun to wash up on the EU's shores? Is there a difference in approach between the U.S. and the EU in dealing with the 'Second China Shock'? China has initiated WTO dispute settlement proceedings against the Inflation Reduction Act's trade-distorting EV subsidies. What is the outlook for third-party dispute settlement and for the multilateral trade system, more broadly, particularly as the U.S. reverts to its pre-WTO era usage of its Section 301 instrument? To listen to these pressing bilateral and multilateral trade and tariff-related questions, tune in to the ICAS Trade 'n Technology Program event on June 13.

Panelists



Mary LOVELY

Anthony M. Solomon Senior Fellow
Peterson Institute for International Economics



TU Xinquan

Professor & Dean,
China Institute for WTO Studies
University of International Business and Economics

Moderator: **Sourabh GUPTA** - Senior Fellow & Head of Trade 'n Technology Program
(Institute for China-America Studies)

Welcoming Remarks: **Nong HONG** - Executive Director *(Institute for China-America Studies)*

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Mary LOVELY is the Anthony M. Solomon Senior Fellow at the Peterson Institute for International Economics. She served as the 2022 Carnegie Chair in US-China Relations with the Kluge Center at the Library of Congress. Lovely is professor emeritus of economics at Syracuse University's Maxwell School of Citizenship and Public Affairs, where she was Melvin A. Eggers Economics Faculty Scholar from 2010 to April 2022. She was also coeditor of the *China Economic Review* from 2011-2015.

Her current research projects investigate the effect of China's foreign direct investment policies on trade flows and entry mode, strategic reform of US tariffs on China, and recent movements in global supply chains. Lovely earned her PhD in economics at the University of Michigan, Ann Arbor and a master's degree in city and regional planning from Harvard University.



TU Xinquan is Dean, Professor and WTO Chair Holder at the China Institute for WTO Studies of the University of International Business and Economics located in Beijing, China. He got his Ph.D. in international trade from this university in 2004. He had been a visiting scholar at Johns Hopkins University (2006), the Korea Institute for International Economic Policy (2009), WTO Secretariat (2011), the German Institute of International and Security Affairs (2014), and the Middlebury Institute of International Studies at Monterey (2016). His research and teaching focus on Chinese trade policy, the WTO, U.S. trade policy, and U.S.-China trade relations. He is a member of Friends of Multilateralism Group, Asia WTO Research Network, Trade and Investment Research Network, and General-Secretary of NITIS.

He authored *China's position, role and strategy in the WTO* (The Press of UIBE, 2005), *The forty years of China's reform and opening up and China's integration into world trading system* (The People's Press, 2019) and published a number of papers and chapters in books. He has been granted a number of research projects by the China Social Science Foundation as well as the Chinese Ministries of Commerce, Education and Finance, among others. He has also been interviewed by *CCTV*, *Phoenix TV*, *Bloomberg*, *Reuters*, *Xinhua News Agency*, and other major media on hot issues about China's trade and economic situation and China's international economic relations.

