

World Salon x  ICAS
Institute for China-America Studies

WORLD SALON X ICAS

DIGITAL FIRESIDE SERIES

THE RIPPLE EFFECT OF TRUMP'S RECIPROCAL TARIFFS



May 6, 2025

11:00 AM - 12:30 PM EST

World Salon Digital Platform

INTRO

WELCOME LETTER

Dear Esteemed Guests,

Welcome to the World Salon X ICAS Series. It is with great honor and anticipation that we extend this warm welcome to each of you. As we gather at this pivotal event, your presence and contributions are not just valued, they are vital to the success of our mission: fostering global understanding, collaboration, and progress.

Envision a world where dialogue leads to actionable change. World Salon is dedicated to making this a reality by establishing the premier platform for high-level discourse and networking. Our vision extends beyond hosting events; it's about creating a sustainable ecosystem where members not only gain exposure to groundbreaking ideas but also contribute to the collective wisdom shaping tomorrow. With each gathering, digital or physical, we aim to expand the horizons of what's possible, empowering our community to be at the forefront of global transformation.

The Institute for China-America Studies (ICAS) is an independent think tank in Washington D.C. ICAS focuses on the evolving dynamics in the U.S.-China relationship to promote greater collaboration and mutual understanding through sincere exchanges of fresh ideas, objective policy-oriented research, and fair assessments of this critical bilateral relationship. We aim to provide a window into the world views of both the United States and China, and thereby serve as a vehicle to promote greater understanding between these two countries and societies.

We look forward to the dynamic exchanges that will take place, confident in their potential to influence a sustainable, inclusive, and prosperous global future.

Charlie Du, Founder & CEO World Salon
Nong Hong, Executive Director, ICAS

LOGISTICS

EVENT PROCEDURE

Event Format:

The event is designed to foster spontaneous conversation and in-depth discourse. It will be lightly moderated to encourage natural flow of discussion.

Structure:

1. Guided Discussion
2. General Discussion Questions
3. Audience Q&A

Discussion Guidelines:

- Feel free to ask questions or add remarks at any time.
- The Q&A tab on the right displays all questions.

Guided Discussion:

- Each speaker shall prepare **8 mins for their guided question**.
- After each response, **other panelists are encouraged to ask follow-up questions or add comments**.
- We'll move to the next question when the conversation naturally slows or the suggested time elapses.

General Discussion:

- If there are any topics/questions you would like to discuss feel free to take the lead and dive into that topic
- The general discussion themes are listed below to help prepare for the conversation

Audience Q&A:

- There might be a couple of audience questions from our live audience.

AGENDA

KEYNOTE AND PANEL DISCUSSION PROCEDURE

SPEAKER WELCOME ROOM	10 : 40
GUIDED DISCUSSION	11 : 00
GENERAL DISCUSSION	11 : 40
INTERACTIVE Q&A	12 : 00



PANEL GUIDE

SPEAKER BACKGROUNDS

**Sourabh Gupta**

Head of Trade 'n Technology Program,
Institute for China-America Studies (ICAS)

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Sourabh Gupta is a senior Asia-Pacific international relations policy specialist with two decades of Washington, D.C.-based experience in a think tank and political risk research and advisory capacity. His key area of expertise pertains to the intersection of international law, both international trade and investment law and international maritime law (Law of the Sea), with the international relations of the Asia-Pacific region.

Prior to joining ICAS, he was a Senior Research Associate at Samuels International Associates, Inc., an international consulting firm specializing in government relations and global trade and investment matters. He holds master's degrees in security studies and international relations from the Walsh School of Foreign Service, Georgetown University and the Maxwell School of Citizenship and Public Affairs, Syracuse University, respectively. His bachelor's degree was awarded by the University of Mumbai.

PANELIST

SPEAKER BACKGROUNDS

**Patrick Leblond**

Professor, Graduate School of Public and International Affairs, University of Ottawa

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Dr. Patrick Leblond is also a Senior Fellow at the Centre for International Governance Innovation (CIGI), a Research Associate at CIRANO, and an Affiliated Professor at HEC Montréal. With a robust background in accounting and consulting, including roles at Ernst & Young and Arthur Andersen, Dr. Leblond brings practical experience to his academic pursuits.

His research focuses on global economic governance, international trade, and financial integration, with a particular emphasis on North America and Europe. He has extensively analyzed the USMCA, especially its digital trade provisions, and has advocated for Canada to adopt bold economic strategies in response to shifting U.S. trade policies. Dr. Leblond's insights are pivotal in understanding the complexities of international trade agreements and their implications for Canada's economic landscape.

PANELIST

SPEAKER BACKGROUNDS

**Enrique Dussel Peters**

Professor, Graduate School of Economics,
Universidad Nacional Autónoma de
México (UNAM)

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Enrique Dussel Peters has been a professor at the Graduate School of Economics, Universidad Nacional Autónoma de México (UNAM) since 1993. He serves as a consultant for several Mexican and international institutions, and he earned his BA and MA in political science at the Free University of Berlin and his PhD in economics at the University of Notre Dame.

As an ongoing project, he is coordinating a group of studies and respective publications of China's overseas foreign direct investment (OFDI) in Latin America and Mexico and of Mexican firms in China. He has served as coordinator of the Area of Political Economy at the Graduate School of Economics at UNAM from 2004 to 2008, and he is currently, since 2006, coordinator of the Center for Chinese-Mexican Studies at UNAM. He also serves as the coordinator of the Academic Network of Latin American and Caribbean on China (Red ALC-China).

PANELIST

SPEAKER BACKGROUNDS

**Randall Morck**

Stephen A. Jarislowsky Distinguished
Chair in Finance, University of Alberta's
Alberta School of Business
Research Associate, National Bureau of
Economic Research

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Randall Morck is the most cited economist in Canada, his research referenced almost 53,000 times in other researchers' work. From a blue-collar Alberta family, he received a scholarship to attend Yale University where he graduated *summa cum laude* with a BSc in Honors Applied Mathematics and in Economics, as well as an M.A. in Economics. After earning a PhD in Economics from Harvard in 1986, he joined the University of Alberta, which appointed him Stephen Jarislowsky Distinguished Professor of Finance.

He returns to both his *almae matres*, most recently as Mackenzie King Visiting Professor at Harvard and as Schoen Visiting Professor at Yale. Prof. Morck is a Research Associate at the National Bureau of Economic Research in Cambridge, Massachusetts, and a Senior Fellow at the Asian Bureau of Finance and Economics Research in Singapore. In 2018, he was awarded a Yangtse-Professorship, the highest academic honor in China.

PANELIST

SPEAKER BACKGROUNDS

**Georgy Egorov**

James Farley/Booz, Allen & Hamilton
Research Professor

Professor of Managerial Economics &
Decision Sciences, Director, Ford Center

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Professor Georgy Egorov is a renowned scholar in political, organizational, and cultural economics with an extensive publication record in top economics journals. He specializes in leveraging economic and game theory to study collective decision-making in politics and in organizations using a variety of methods, including experiments. His awards include the Social Choice and Welfare Prize and the Chairs' Core Teaching Award. He also contributes to the field as an Associate Editor for several top journals, reflecting his commitment to advancing and shaping debates in economics and political science.

Georgy Egorov holds a PhD in Economics from Harvard University, awarded in 2009, where he also earned a Master's degree in Economics in 2008. Prior to his studies at Harvard, he completed an MA in Economics, graduating cum laude from the New Economic School in Moscow in 2003.

PANELIST

SPEAKER BACKGROUNDS

**James Harrigan**

Professor of Economics, University of Virginia

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James Harrigan is a Professor in the Economics Department at the University of Virginia and a Research Associate of the National Bureau of Economic Research (NBER). During the 2018-2019 academic year, he was a Visiting Professor at the Paris School of Economics. He conducts research on economic inequality, international trade, and economic geography. He is also the Director of Graduate Studies for the Economics Department.

Mr. Harrigan joined the University of Virginia in 2008. Before that, he was an economist at the Federal Reserve Bank of New York for twelve years. He has also taught at Sciences Po in Paris, Columbia University and the University of Pittsburgh. Mr. Harrigan has published many articles in leading scholarly journals, and is a former Co-Editor of The Journal of International Economics.

QUESTIONS

GUIDED DISCUSSION QUESTIONS

Patrick Leblond

U.S. and Canadian governments plan to negotiate the elements of a new bilateral relationship after Canada's April 28 parliamentary elections. What will the element of this new bilateral relationship look like?

Given your analysis of the evolving landscape of U.S. trade policies, how are Trump's autos and auto part tariffs and possible future measures on lumber likely to impact U.S.-Canada trade ties?

Dr. Enrique Dussel Peters

As coordinator of the Center for Chinese-Mexican Studies and Red ALC-China, you've observed the dynamics of China-Mexico relations over time. Could these new tariffs potentially accelerate Mexico's economic diversification toward or away from China and other Asian partners?

Drawing on your extensive research into the evolution of industrial and regional trade patterns in Mexico, how might sectors like auto parts or electronics be particularly vulnerable—or potentially resilient—to the ripple effects of these tariffs under the current USMCA framework?

QUESTIONS

GUIDED DISCUSSION QUESTIONS

Randall Morck

Given your expertise in global advisory work with governments and institutions, what do you foresee as President Trump's next strategic move – and how might it influence the trajectory of the USMCA and broader global economic alignments?

Drawing from your extensive research on global finance and corporate governance, how do you see these new U.S. tariffs reshaping trans-Pacific trade ties with China, Japan, and Korea? Has President Trump given up on friendshoring and nearshoring? Is reshoring the only game in town?

Georgy Egorov

Drawing from your extensive research on the political economy of democracies and non-democracies, how do internal institutional weaknesses or political incentives contribute to a government's decision to impose protectionist measures like tariffs, even when economic models suggest they are harmful?

In your studies on strategic decision-making and institutional persistence, you emphasize the role of social image and political pressures; how might these forces have influenced President Trump's approach to reciprocal tariffs, particularly in targeting North American partners?

QUESTIONS

GUIDED DISCUSSION QUESTIONS

James Harrigan

Given your significant contributions to understanding international trade and economic geography, how do you view Trump's reciprocal tariffs in terms of their likely impact on regional economic inequalities across the United States, especially in manufacturing-dependent and agricultural areas?

Based on your experience at the Federal Reserve Bank of New York and your broader research on trade policy, how effectively do you think the current U.S. trade tools are aligned with macroeconomic stability goals, particularly in the context of escalating tariff strategies and renegotiations under the Trump administration?

THEMES

GENERAL DISCUSSION THEMES

Trump's Next Steps and Implications for U.S. Policy

President Trump's unpredictable trade tactics continue to keep stakeholders on edge, prompting questions about further tariff escalations or renegotiations. Any additional measures could reverberate through key industries, from automotive to agriculture, affecting partners across North America and East Asia.

Shifts in Investment and Manufacturing Strategy and the Future of USMCA

Unpredictable tariffs can prompt firms to reassess their supply chains, leading to re-shored, near-shored, or diversified production models. This reorganization has a direct bearing on local job markets, technology transfer, and regional economic development. The new tariffs test the resilience of the USMCA, putting its provisions and dispute mechanisms under strain. As critical sectors like automotive and agriculture face immediate disruptions, questions arise about the agreement's future stability.

Canada's Political Landscape and Trade Policy Shifts

With a new government in place, Canada is reassessing its approach to trade disputes and enforcement of tariff policies. These choices carry significant weight for industries that depend heavily on cross-border commerce, as well as for Canada-U.S. relations broadly.

Mexico's Position Between the U.S. and China

Mexico's growing ties to China—both as a manufacturing partner and market—add a layer of complexity to its trade calculus with the United States. Any retaliatory tariff measures or adjustments to production networks could reshape economic dynamics throughout the region.

TOPIC BACKGROUND

DECODING THE RECIPROCAL AND OTHER TARIFFS

On April 2, President Trump announced a fresh round of tariffs aimed at reshaping international trade relationships, particularly with North American partners. This policy move, framed as a response to what the administration perceives as unfair practices, has introduced new tension into an already complex economic environment. Given that the United States, Mexico, and Canada are deeply entwined through the United States–Mexico–Canada Agreement (USMCA), these tariffs have broad implications—shifting cross-border supply chains, altering market access, and prompting reciprocal countermeasures. Though the policy’s immediate focus targets North American partners, it carries global ramifications, linking trade disputes with Chinese markets and beyond.

Central to the resulting upheaval is the potential strain these tariffs place on the recently renegotiated USMCA. Key industries, like the automotive sector, rely heavily on components sourced and assembled across all three countries. By imposing tariffs on critical materials or finished goods, the United States could inadvertently escalate production costs for domestic manufacturers, leading to higher prices for consumers. Moreover, Canada and Mexico have indicated potential reciprocal tariffs, a response that could further disrupt established supply chains. If a cycle of tit-for-tat measures continues, it may undermine the spirit of the USMCA and prompt reevaluation of the agreement’s benefits for each country.

In Canada, the new government faces the challenge of balancing domestic political pressures with maintaining a productive trade relationship with the United States. With elections having recently reshaped Canada’s political leadership, the government’s stance on retaliatory tariffs, dispute resolution mechanisms, and the broader alignment with U.S. trade policies remains a key area of focus. These decisions will be influenced by public sentiment—Canadian businesses and workers often rely on cross-border sales and supply lines with the U.S.

TOPIC BACKGROUND

How Ottawa navigates the tariff dispute could set the tone for the bilateral relationship in the months and years ahead.

Meanwhile, Mexico is also rethinking its trade strategy, mindful of its heavily integrated manufacturing sector, especially in industries like automotive and electronics. A significant part of Mexico's trade agenda involves not only the USMCA but also its expanding ties to China. As Mexico positions itself as an alternative assembly hub—particularly for companies looking to diversify away from China—these new U.S. tariffs add to the complexity. The possibility of closer economic cooperation between China and Mexico, alongside any retaliatory tariff measures, could reshape the dynamics of regional supply chains, impacting investment flows, job creation, and diplomatic relations.

Beyond North America, President Trump's new tariff measures cast a long shadow over trans-Pacific relationships. Japan and Korea—both major trading partners with the U.S. and integral components of global supply networks—are watching the North American tariff dispute closely. Shifts in automotive and technology supply chains have ripple effects that reach Asian markets, influencing everything from manufacturing plant locations to investment decisions. Ultimately, the April 2 tariffs underscore the interconnected nature of the global economy, as changes in one region reverberate around the world.

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