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Trade relations between USA and China during Trump's presidency

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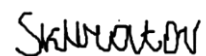
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In Prague on August 1, 2023

Alexandr Skuratov



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Abstract

This thesis will analyse the impact of Donald Trump as the President of the United States on trade with China during his office, comparing it to Barack Obama and Joseph Biden's terms. The paper will look at both the political and economic consequences of Trump's actions and decisions, together with the response to them from the Chinese side. The Trade War, together with other Trump's economic decisions towards Asia, resulted in tensions which led to a partial loss of the United States' position in that region and a worsening of relations with China. With the help of the comparative analysis method, the research concludes that Trump had an enormous impact on trade with China but the same external factors as Covid-19 also heavily influenced it. The paper argues that the political ideas which each President adopts were also one of the primary reasons for changes in the trade, both positive and negative. The person in charge of the state is pushing the trade relationship in one way or another, even if he does not possess complete control of the economics.

Key words: Donald Trump, Barack Obama, Joseph Biden, Trade War, Trade, Covid-19

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1. Introduction

1.1 United States/China trade relations pre-2008 crisis

Trade in the modern world is one of the crucial aspects of economies worldwide. Trade allows countries to increase economic activity and create a more competitive environment. Trade is also part of the international relations between nations, which might lead to further cooperation in other sectors of the economy and politics. In ancient times, trade was an instrument that allowed states to fill in the gaps in the food supply, saving them from hunger and internal conflicts, which shortages would give. Nowadays, in a much more globalised world, trade is essential for the functionality of the whole world since countries are independent in their decisions on the imports of materials from the outside. The statistics of the overall value of global trade at its peak in 2021 equalled 28.5\$ trillion USD which brings us to the conclusion that the countries are increasingly involved in the chain of partnership (Unctad, 2022). The essay will touch on trade relationships between China and the United States in the 2008-2023 period, analysing how Donald Trump's office years impacted mutual trade.

The trade relationship between the United States of America and China was established not that long ago, in the 18th Century. It all began in 1784 when a U.S. ship 'Empress of China' entered the port of Canton and established the first formal trade between the two countries (China, U.S. Mission, 2022). Americans were provided with a tiny place in the Canton district where contact with the rest of China was limited to a group of representatives from the city (China, U.S. Mission, 2022). The crew of the Empress arrived back in Boston in 1875, saying shortly after that the mission was a complete success (China, U.S. Mission, 2022). That voyage demonstrated that the Chinese Empire is an incredibly closed state, where foreigners are treated with scepticism

(China, U.S. Mission, 2022). A rise in the interest of the United States towards the Asian region was in the 19th Century. In 1853, an American fleet under the command of Matthew Perry arrived at Tokyo to force Japan into signing a trade agreement with the USA (Milestones: 1830–1860, n.d.). Recently, the United States had a more tense relationship with China, especially in the trade sector. In 1949, Mao Zedong proclaimed the establishment of the People's Republic of China (PRC), and the communist leadership told the U.S. ambassador that the new country would look towards the Soviet Union rather than Washington (U.S.-China Chronology, n.d.).

The Korean War, which broke out in 1950, led to a total trade embargo from both the United States and the United Nations (Chen, 2006, p.169). At the end of the conflict, when the USA and PRC troops met face to face, United Nations recalled the embargo, but the United States kept the measure until 1972 (U.S.-China Chronology, n.d.). One of the reasons why the United States did not restore the status quo was indeed China's links with the Soviet Union, which was in competition with Washington during the Cold War era. During the 1950-1972 period, the Chinese trade balance increased from -441 in 1951 to 431 million\$ USD (Chen, 2006, p.169). Only the visit of Richard Nixon to Beijing in 1972 restored the trade relationship and dismissed the embargo (Chen, 2006, p.169). There were little tensions after the events at Tiananmen Square happened, but in the end, China continued its diplomatic relations with the United States and remained open to foreign trade, including Washington (U.S.-China Chronology, n.d.). The above-mentioned facts demonstrate that trade tensions between the states occurred numerous times before the 2010s and the trade war initiated by Trump.

1.2 2008 financial crisis

The financial crisis of 2008 was one of the first struggles for the office of Barack Obama, who came into the White House in January 2009. On September 18, 2008, the credit market worldwide, especially in the United States, collapsed and remained unable to work for the next four weeks (Arner, 2009, p.91). The reason for such a collapse was from 2005 to 2006 when the United States experienced excessive borrowing, lending, and crediting, leading to the tragic event two years later (Arner, 2009, p.92). The consequences of this crisis were incredibly severe; the world did not see such a collapse since the 1930s (Arner, 2009, p.91). The aftermath could be seen worldwide; for example, in Russia, the 2008 crisis ended the economic recovery growth, which lasted from the early-2000 under the prime-minister Mikhail Kasyanov. There was no such growth in the Russian economy after that.

The trade balance of imports and exports of goods from 2000 until 2008 for the United States trade with China grew yearly. In 2000, the balance equalled 83,833\$ billion USD, while in 2008, the number increased to 268,039\$ billion USD (Census, 2019). The trend of imports being higher than exports in the trade between these two states could be seen even from mid-1980 when the numbers were small, but the deficit was already there. The crisis substantially impacted the trade of goods trade; for the second time since 1985, the trade balance decreased in 2009 by 42\$ billion USD (Census, 2019). The first decrease was in 2001 when the difference from 2000 was only 0,737\$ billion USD (Census, 2019), which demonstrates that the events of 2008 had an enormous impact on the trade. As visible from the data, a crisis of any kind can be a reason for a decrease in trade activity. One of the reasons for the first decline in the trade deficit in 2001 can be the terrorist attack in New York and the overall shock that was caused by that event. The rising

trade deficit for the USA means that it increases its weight and the growth of the state's economy (Brookings, 2018).

1.3 Personal interest

The topic of this thesis was chosen based on my passion for politics and economics. I always wanted to learn more in-depth about how political decisions affect economic processes, and trade seemed one of the most suitable examples. After reading about rising tensions between China and Taiwan in 2021, I decided to research trade relations between Washington, who supported Taiwan, and Beijing. The more I studied the topic, the more I found Trump's presidency controversial. Ultimately, I decided to compare it to the Democratic presidents Obama and Biden to see the difference in politics. The research will analyse the extent to which Trump's decisions and policies impacted the trade relations with China and if he was the only reason for such turbulence.

2. Literature review and Methodology

2.1 Literature Review

The topic of the USA-China relationship is getting increasingly important with the increasing tension between Taiwan and the People's Republic of China. Trade, one of the crucial sectors in the present-day relations between states, is correcting and directing some decisions regarding direct interaction. Evidence gathered in recent studies of the 21st Century demonstrates that the United States and China are slowly getting into an accelerating trade war, which also affects the political field. The studies of the past 15 years suggest that the tensions began with the presidency of Barack Obama. Still, the fast escalation took place during the office of Donald

Trump with his protectionist rhetoric. That cost the United States numerous consequences, including the relationship between the US and Chinese tech companies (Cronin, 2019, p.2).

The research on Barack Obama's eight-year presidential relations with China demonstrated a softer position compared to the two presidents that came after. Obama went to the White House in 2009, the year of the harshest damage to the world economies since the Great Depression. The reasons for the crisis, like excessive borrowing, lending and investments, were common for the whole world at the time (Arner, 2009, p. 92). Obama arrived at the White House with the need to solve an enormous that he wasn't responsible for. Some researchers highlight the fast agreement of the Obama administration with the Chinese government in 2009 after the G20 meeting in London (Sutter, 2009, p.83). The meeting results were named 'constructive' and 'cooperative', which were then used to define the relationship between the two countries in the future (Sutter, 2009, p.83). The will to cooperate demonstrated by the White House at that time tell that Obama saw China as an economic partner rather than a competitor. At the end of his first term, when appointing a new ambassador to China, Obama mentioned that US-China relations are 'the most important in the world' (Chen, 2016, p.53). This shows the somewhat positive attitude of Obama towards Asia. However, sources suggest that the positive condition did not remain for long, and China, with its militarisation, began to confront the US allies in East Asia (Christensen, 2019, p.28).

Nonetheless, researchers had some criticism for the policies of Obama in his first term in particular. The doubts about the rightness of some decisions were not directly related to China but to Asia as a whole. One of the mistakes in the list is the overall retreat from Asia under Obama, the exiting from Iraq, and numerous announcements about leaving Afghanistan gave China the initiative in that geographical region (Christensen, 2019, p.29). As time passed, the People's

Republic of China had less and less will to cooperate with the United States and instead to increase its influence in Asia alone (Christensen, 2019, p.30). The weaknesses in the research about Obama's presidency can be seen in the focus on finding more positive outcomes of certain decisions and shifting the focus on them rather than the consequences, in other words, to make the ex-president look better than his successors.

One of the main themes in works related to Trump's presidency is the evaluation of the protectionist policies imposed by the administration. Tariffs which were imposed on Chinese imports in 2018 are a demonstration of the decisions made by the White House at the time. These tariffs only cost US businesses up to 6.2 billion \$ in October 2018 (Third Way, 2019, p.2). As part of more protectionist rhetoric compared to the Obama administration, Trump focused on supporting domestic production rather than relying on China in many sectors. The famous 'America First' suggests that the United States' interests are considered first (Hu, 2018, p.62). A possible reason for the researchers to highlight the path towards 'isolation' of the country, sometimes too often, made by Trump is that it was a significant switch in the policy. The president was leading the country from a more open position to a state of the mid-20th Century when the US was closed and dealing with its problems with minimum external interaction.

Another point in the literature regarding Donald Trump is a shift in the United States' opinion about the Taiwan and China issue during his presidency. Then again, Trump's position on China was very different from the presidency of Barack Obama. During his first year in office, on December 2nd, 2016, Donald Trump contacted the Taiwanese leader and discussed a potential US One China policy change (Hu, 2018, p.62). That policy meant the silent agreement with Taiwan being part of mainland China de jure. According to some researchers, Donald Trump saw China as a more beneficial side in mutual trade relations making the United States supply what the ex-

president called 'a revisionist power' (Trubowitz, P., & Philips, A., 2018, p.27). Political actions always affect trade relations between countries. The Taiwan question has been highly irritating for the communist Chinese government since the establishment of the PRC in 1949. By demonstratively calling the Taiwanese leader and considering the switch in the politics with China to a more tense level showed Beijing that the next four years would change a lot.

One of the possible weaknesses of the sources related to Trump from Chinese authors like Weixing Hu is directly related to the country which published it. When reading the text, the reader cannot be confident that the authors from China are not biased and are fairly analysing the measures, especially Trump, who was the first who view China as a potential enemy since the 20th Century. This fact does not eliminate the bias in the US sources, but considering the fact that PRC is a highly closed and controlled state, it is possible to expect more censorship in Chinese works. Overall, the researchers of Trump's period predominantly focus on the negative side of his decisions while not giving enough attention to the advantages that can potentially provide the people with an unclear picture of the 4 Trump years in the White House.

Due to the continuously rising tensions between China and the United States around Taiwan, even under the Joseph Biden administration, many researchers mention the potential trade clashes between these states. The tariffs and measures imposed by Trump have lowered the trust of the countries in Asia towards US action, making it a challenging task for Biden to turn that attitude around (Elms, 2021, p.46). Biden has been known as a huge supporter of trade liberalisation (McBride, 2021, p.4). He came to the White House with the phrase 'US is back', meaning that the United States is now dictating trade rules with others to benefit their businesses (Schropp, 2022, p.399). Biden also mentioned that economic cooperation would be back to normal (i.e., before Trump) and the tariffs imposed by the processor (Schropp, 2022, p.399).

The initiated closure with Taiwan by Donald Trump is forcing Biden to act harsher towards PRC as the talks about reuniting the island and mainland China is getting more frequent. However, the anti-Trump rhetoric during the election campaign and the first years in office do not clearly show that the new administration is somehow moving away from the adopted rules in the four years (Schropp, 2022, p.399). For example, Biden did not demonstrate any moves towards a permanently frozen trade Trans-Pacific Partnership deal (Schropp, 2022, p.399). One of the most significant weaknesses of Biden's analysis is the Covid-19 factor. It could be true that the measures taken by the White House since the beginning of 2021 could have been much different.

In conclusion, the research done on the trade and politics of the US and China in the past 15 years has been quite extensive. The differences between the positions of the presidents, especially Donald Trump, made a huge contrast in the research analysis. Some of the numbers and opinions were sometimes given too soon, without giving a chance to the measures to perform at the maximum effectiveness. Many authors tend to provide Biden with a 'better face' when he is compared to the extreme change in the country by Trump. Some also point out that despite the potential effort of the current president, his policies are not much different to the previous domestic direction. When compared to Trump by some, Barack Obama has a more positive reputation.

2.2 Methodology

This paper will be analysed using a comparative method. There are going to be three United States presidential offices taken into the analysis: Barack Obama, Donald Trump, and Joseph Biden. The analysed period will be from 2008 to 2023. The primary analytical focus will be on the presidential years of Donald Trump. The three offices will be divided into three chapters with subchapters (2.1,3.1,4.1 etc.) where politics and trade statistics under each president will be

present. The first subchapter will touch on the overall politics of the president that demonstrate his views towards both domestic and foreign relations. The purpose of the subchapter is to give a broader picture of the president, how he was viewed by the people and how his intentions affected the relations with China. The second subchapter will discuss the political ties with China under the president. The reason why trade and political relations are going to be divided into two different parts in this work is that they are not always interrelated. Political relations between the United States and China were tense in the past decades, but the trade grew between them, nonetheless.

The final subchapter will include all the changes in trade relations that happened under the office to compare it to the administration of Donald Trump. All the statistics in that subchapter will be analysed from the perspective of the United States. At the end of the above-mentioned sections, there will be a comparison of the effects on trade with the People's Republic of China under each president. The limitations of this thesis will be factors that affected the trade externally and that were not caused by any political figure; covid-19 pandemic can be an example. Additional limitations could possibly be information from the Chinese side regarding trade and policies. There might be a need to use media content (newspapers, online media, publications etc.), as the information in them could be helpful for the research. The research question for the thesis is: ‘To what extent did the Trump’s presidency impacted trade relations between USA-China if compared to the offices of Obama and Biden?’. The hypothesis is the following: Donald Trump’s administration had a great impact, but other events like economic crisis, or Covid heavily influenced the trade relations between the states.

3. Barack Obama

3.1 Barack Obama's politics

Barack Obama was the president of the United States of America from 2009 to 2017. He was a president from the Democratic party of the United States, which succeeded a Republican president George W. Bush. The new president's inauguration in January 2009 was one of the most massive in history, with 1.27 to 1.65 million people attending it (Weatherson, 2011, p.6). One of the possible reasons for the number of attendants at the ceremony is how the nation saw the new president; the people saw Obama as someone who would bring change into the life of the United States. For the Democrats, that political campaign and the victory over the Republicans were incredibly enthusiastic; they didn't experience such giddiness since the victory of Lyndon Johnson in 1964 (White, 2009, p.214). Another event demonstrating Obama as someone who was new, and refreshing can be the Nobel Prize for Peace he received in 2009. The prize was awarded on October 9, 2009, and was unexpected for Washington and Obama himself because the 'deadline' for the nominators was February 1 of that year, only 12 days after the new president took office (Terrill, 2011, p. 161).

As stated in the introduction, the first struggle the office of Barack Obama faced was the economic crisis in September 2008. In February, a month after coming to the White House, the president enacted the American Recovery and Reinvestment Act which was supposed to start providing jobs lost during the crisis (Economic Policy Institute, n.d.). It was critically important for the president and the Democratic party to make decisions about the situation quickly, as ignoring the current problems could lead to a catastrophic four-year period. Obama's most famous domestic policy was his healthcare initiative, Obama Care. On June 15, 2009, the president gave

a speech at the American Medical Association meeting in Chicago criticising the United States health system (Tanne, 2009). He argued people are unable to afford regular access to the healthcare system, together with the fact that people in other countries spend less, but the quality of services is higher (Tanne, 2009). This fact highlights the 'freshness' that Obama brought into US politics; he straightaway began dealing with significant and problematic topics like healthcare. The future negative rhetoric of Donald Trump about the reform will show how important this topic was in the US. He mentioned that the reform would obligate the employer to provide insurance to the workers who don't have it or at least contribute with extra payments or subsidies (Tanne, 2009). The New York Times in 2009 wrote stated initiative has around 72% of approval in American society (Tanne, 2009). Obama signed the healthcare law on March 23, 2010 (Healthcare.gov, n.d.).

3.2 Barack Obama's Relationship with the People's Republic of China

During the first term of Barack Obama, foreign relations with other countries in the United States were very active. On the post-cold War scene, Barack Obama had to deal with the new president of the Russian Federation, Dmitri Medvedev. They had productive cooperation in the field of foreign policy; an example can be their agreement to focus on the North Korean nuclear tests and end them (Byrd, 2013, p.157); it is impossible to compare the current position of Moscow on the topic. The positive communication of the presidents in Russia was viewed as a partial step to a massive improvement in the relationship between the two powers; Obama was a new hope. Conversely, the president's foreign policy was harsh towards those the United States viewed as enemies; Obama declared that the country would 'extend a hand' to reach rivals (Wisniewski, 2012, p.2). The policy viewed China as a country that would consider the United States as a state that had lost its global power but, at the same time, a force that would prevent it from gaining influence

in Asia (Wisniewski, 2012, p.3). That picture of China in the White House at the start of the term tells that there was a feeling of wariness about Beijing and that Washington will have to deal with it if it wants to remain a critical factor in Asia.

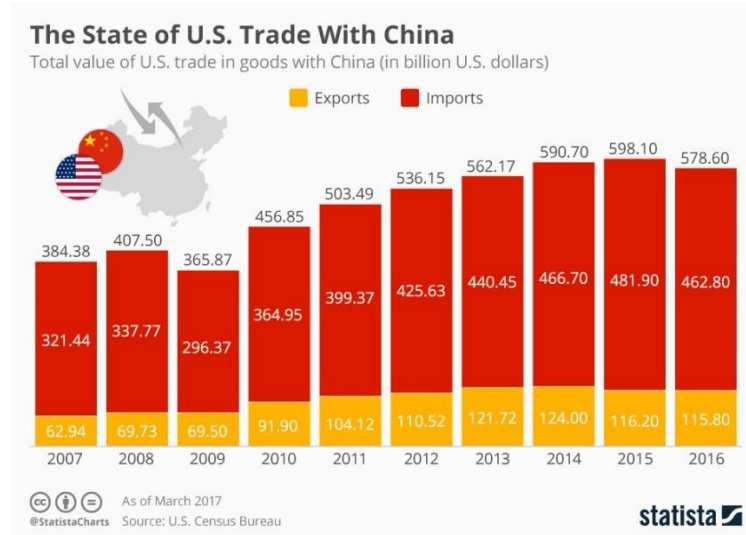
Despite the worries, Obama's administration was quick in their establishment of a better relationship with China. The new administration reached China in order to create new respectful relations with the country, not like they were under George W. Bush, to face global challenges even through the newly created G20 made out of leading nations in the world (Hachigian, 2010, p.2). Obama visited China in November 2009, and he managed to establish a dialogue with Beijing and even proposed initiatives about clean energy (Hachigian, 2010, p.2). At the same time, the president has made some harsh talk towards China. Obama, during the first two months of 2010, met with the Tibetan leader Dalai Lama, agreed to provide Taiwan with a 6,4\$ billion USD package for arms and spoke about the freedoms in the country, including the press and internet (Hachigian, 2010, p.2). One of the reasons for that is the will to maintain its influence in East Asia, especially in the region of the Philippines and Taiwan, which China considers as its core territory.

The second term was not so different from the first; it had both positive and negative events that suggested difficulties in relations between countries. For example, in November 2013, China claimed an air defence zone over the East Chinese Sea (Christiansen, 2015, p.33), which declares that the sea is now under the total influence of Beijing. On the other hand, a year after, in November 2014, China and the United States signed a bilateral agreement on reducing greenhouse gas emissions (Hachigian, 2010, p.2). Two world powers that compete with each other cannot have the best possible relationship since they share spheres of interest. The overall assessment of the relationship towards China from Barack Obama's administration can conclude that it was not the best but could have been much worse; the Middle East is a perfect example.

3.3 Barack Obama's trading policies with China

As mentioned, President Obama had positive rhetoric towards China and wanted to act more cooperatively. Barack Obama did not want to repeat the previous administrations' mistakes, so he took a collaborative position straightly after coming into office (Bezhad, 2022, p.138). Despite the moves, the trading side of the relationship did not change much; the trade deficit between the countries continued to grow similarly to previous years. The growth returned to its trend after a fall caused by the 2008 crisis; from 2009 to 2010, the deficit increased by +46\$ billion USD from -226\$ billion USD to -273\$ billion USD (Census, 2019) (See also Figure 1). The tendency remained until 2016 when the trade deficit decreased from -367\$ billion USD in 2015 to -346\$ billion USD in 2016 (Census, 2019). The direct investment to China from the United States also remained constant; from 2000 to 2019, the investments increased from 11\$ billion USD to 105\$ billion USD (US-China.org, 2021, p. 9). There were no restrictions added to the trade between China and the United States during the two presidential terms of Barack Obama. Together with that, there were no triggers like the crisis of 2008 during his eight years in office.

(Figure 1)



Loesche, Dyfed. "The Chinese-American Trade Balance." *Statista Daily Data*, April 5, 2017.
<https://www.statista.com/chart/8824/chinese-american-trade-balance/>.

One of the most valuable ways to analyse the changes in trade under Obama is the statistics of exports and imports between the United States and China. 2009 was a year when all products above 1\$ billion USD that were imported to the US, apart from Clothing Accessories and Pharmaceutical Products, dropped in amount if compared to the previous 2008 (ITC-Imports, n.d.). One of the reasons for that was undoubtedly the financial crisis in September of the last year, which Obama is not responsible for. In 2010, there was a recovery of trade with China when all the products showed growth in imports; some of them even managed to surpass the price of 2008: the most significant rise was in imports of 'Nuclear Reactors, Boilers and their parts', which equalled to +21\$ billion USD (ITC-Imports, n.d.). The rest of the years while Obama was in office, the imports grew without unusual turbulences; the gradual rise stopped in 2016, but it touched only a small group of products (ITC-Imports, n.d.). The exports picture from the United States to China for 2009 is different. There has been no radical drop or rise in export products; the statistics show that some of them grew, like Aircraft/Spacecraft (+1,4\$ billion USD), and some fell, like Nuclear

Reactors (-1,8\$ billion USD) (ITC-Exports, n.d.). Up until 2016, there has been a growth trend of exports from the US to China, with small and not radical descends (ITC-exports, n.d.).

One of the most demonstrative policies adopted by Barack Obama towards Asia and hence China as well was 'Pivot to Asia'. It was a policy that declared the United States' interests being around the Asia-Pacific region during Obama's tour of the region in November 2011 (Shambaugh, 2013, p.10). The turn towards Asia was new to the US since it had a long history of looking at and developing the transatlantic partnership together with the Middle East (Shambaugh, 2013, p.10). One of the main reasons for the switch to Asia was trade, the total trade with that region in 2012 equalled 14.2\$ trillion USD which was an enormous number (Shambaugh, 2013, p.11). China has also played an essential indicator of the key region for the US, as the exports to China were the fastest growing worldwide in the past five years (Shambaugh, 2013, p.10). This policy adopted by Barack Obama demonstrates his openness to Asia and China in particular. Unlike Donald Trump, Obama did not want to cut trade with China and the region as a whole. The Pivot was part of the process of deepening economic ties with Asia using the Free Trade Areas (FTA) and Trans-Pacific Partnership (TTP) (Shambaugh, 2013, p.10). The United States will leave TTP in the first days of Donald Trump's office.

4. Donald Trump

4.1 Donald Trump's politics

Donald Trump was the 45th president of the United States who served in the oval office from 2017 until 2021 as a candidate from the Republican party. He succeeded a candidate from the Democrats, Barack Obama, who served two presidential terms. The victory of candidate Trump in the presidential election of 2016 was, in a sense, shocking for American society. It can be seen in the percentage of voters who were 'surprised' that Trump came out as a victor; 73% out of all responders answered that they did not expect that result (Pew Research Centre, 2016). The previous fact tells us that the people did not consider Trump, a serious candidate in the race with Hilary Clinton, who has been on the political radar for many years. Trump's more Right-wing rhetoric in his campaign and before created a picture of a politician that will not only bring new but, at the same time, uncertainty to politics as well.

Overall, the politics of the president can be summed up in four main points: restricting migration to the country, focusing on public infrastructure, lowering taxes, and going against the Obama care reform, which was mentioned in Chapter 3 (Waterhouse, 2017). The political directions that were chosen, show that the United States would live through a change in many sectors compared to the presidency of Obama, which was visible from other countries as well. The changes in the policy were mainly aimed at the internal market; during his first months in office, Trump focused on stimulating the increase in job places and prioritising domestic products rather than the ones imported to the country (Eilam, 2017). The intentions logically led to reducing internal barriers but, at the same time, imposing trade restrictions (Eilam, 2017). Focusing on the

country itself from the very beginning could not lead to improvements in foreign relations, treaties, and trade especially.

The foreign policy under Donald Trump was a sequence of his domestic initiatives. Trump presented his idea in foreign relations at the Centre of National Interests on April 26, 2016, stating that he will be following a concept called 'America First' where the security of the United States will be prioritised (Zhang, 2022). There are some harsh and, at the same time, restrictive evaluations of the foreign policy of President Trump. The moves in the NATO field performed by Trump are criticised, partially because of his idea of focusing more on the country rather than saving others. Trump has created a feeling of doubt and lowered the reliability of the population in states from the Baltic region to Japan and South Korea (Blackwill, 2019). It is essential to notice that Blackwill, in his work, analyses not only foreign policy but rather the person of Trump and how his attitude affects political life, including the relationship with other countries. An important point about Trump's foreign policy regarding Asia is his withdrawal from the Trans-Pacific Partnership (TPP). On January 23, 2017, as was promised during his election, Trump signed papers to leave the treaty (Narine, 2018). That move decreased the American political and economic presence in the East-Asia, showing the region that the United States was not as interested as previously. The relationship between the United States and China will be reviewed in the following subsection.

4.2 Donald Trump's Relationship with the People's Republic of China

The attitude of the future president of the United States towards China could be seen even during his electoral campaign for the president's office. On May 1, 2016, Trump gave a speech in Indiana where he accused China of 'raping the US economy' by manipulating its currency in order

to make its exports more competitive (BBC, 2016). He also mentioned that he would create a better deal with Beijing that would benefit American businesses by making them more competitive (BBC, 2016). Despite the negative tone in the speech, Trump highlighted that he doesn't stand against China or any other country; instead, he is crossed with the politicians that allowed such conditions where the US is losing more than gaining (Politico, 2016). Trump's remark about being not against China could be a way to reduce the 'heat' of the rhetoric because words like 'rape' are by themselves harsh to be said on the top level of politics. As future events and decisions showed, Trump had a much more anti-Chinese foreign policy than Obama, who never declared any negative views on the country, especially during the presidential campaign. These were the positions and intentions which Trump had before coming into office; it was possible to consider a significant shift in the trade politics between the countries even back in 2016.

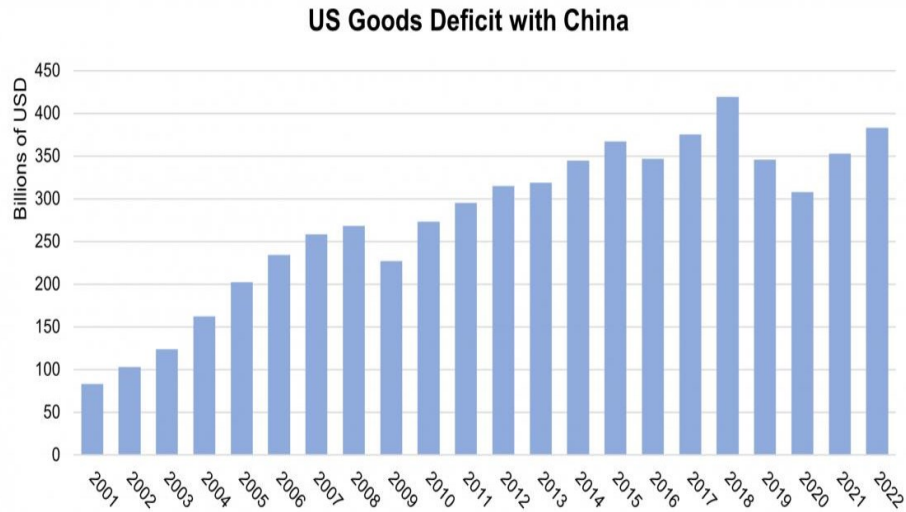
Another event showing that Trump would perform anti-Chinese moves was his phone call in December 2016. The newly elected president of the United States made a phone call with the Taiwanese leader Tsai Ing-wen where he discussed a possible change in support of the 'One-China' policy, where Taiwan is considered part of China (Hu, 2018). At the end of the day, the policy was not changed after that call, and the worst-case scenario did not happen (Hu, 2018). That one phone call was a perfect demonstration to Beijing that the United States would act much more decisively in the next four years and that the countries would enter into confrontation under Trump's office. The withdrawal from the TPP, which was mentioned earlier, impacted the relationship with China. By performing this move, the US increased the regional influence of Beijing and brought disorientation in the Washington allies in South Asia (Singh, 2020, 52). All of this instability increased tensions between the states as they had to enter a new level of confrontation in the region; it is essential to note that the United States found itself in this situation because of the decisions in

the White House. Political events of any kind, especially if they have a negative connotation, affect trade, which could be seen in the next subchapter.

4.3 Donald Trump's trading policies with China

The four years under Trump had been one of the most turbulent in terms of trade with China ever since the shaking of 2008. One of the tools which can be used to analyse the trade between the states is the statistics of trade balance; this method was already used in Chapter 3 when the office of Barack Obama was discussed. The balance was equal to -375\$ billion USD in 2017 when Donald Trump came to the White House (Census, 2019) (See also Figure 2). The numbers showed a drastic increase during the next 2018, a -43\$ billion USD, which added up to -418\$ billion USD (Census, 2019). Due to the increase in tariffs by the Trump administration and the beginning of the trade war in 2018, which will be analysed in the upcoming paragraphs, the overall balance shifted by +76\$ billion USD to -342\$ billion USD in 2019, with both exports and imports decreasing (Census, 2019). The last year of Trump showed a continuation of the fall, but 2020 was heavily influenced by the SARS-COV-2 virus, which hit the planet that year; the trade balance between the countries during that year equalled -308\$ billion USD (Census, 2019). The instability in the trading field could be seen both as an initiative of the new administration in Washington but at the same time; the downfall was also an outcome of uncontrollable events like the pandemic of Covid-19.

(Figure 2)



US-China Business Council. "The Trade Deficit Is Not a Good Metric for the Health of US-China," March 10, 2023.

<https://www.uschina.org/trade-deficit-not-good-metric-health-us-china-trade>.

The year 2018 has been a difficult moment for the trade relationship between the US and China. As part of the protectionist rhetoric, Trump began to impose tariffs. In January 2018, after several meetings and discussions in 2017, the US imposed tariffs on the import of all washing machines and solar panels. (Staff, Reuters, 2020). In March, the administration of Donald Trump began to establish tariffs on more products; the next one was aluminium (Selmi, 2020, p.283). That increased the trade tensions between the states (Selmi, 2020, p.283). As a partial response, China imposed up to 25% tariffs on 128 US products, including airplanes and soybeans (Staff, Reuters, 2020). The mutual imposition of tariffs continued to escalate in June-July 2018 when both countries increased tariffs by 25% on 34\$ billion USD worth of goods each other (Staff, Reuters, 2020). New announcements and decisions varied from 10%-25% from both sides, including a ban on the Huawei corporation on buying components from US companies on May 16, 2019 (Staff, Reuters, 2020). A moment when the confrontation could slow down was the G20 summit in Osaka

in June 2019. At the summit, Trump agreed to stop imposing new tariffs on Chinese products and to reduce restrictions on Huawei, Xi Jinping also announced that China would buy unnamed agricultural products from the US, but no agreement was reached after two days of negotiations (Staff, Reuters, 2020). The tensions continued until the beginning of 2020, when the world faced pandemics which affected any interaction between countries.

Imports and exports statistics to the United States under Donald Trump were the most unstable if compared to Obama, which had the aftermath of the 2008 crisis and Biden, who currently has to deal with the continuation of the trade war. From 2017 to 2018, the imports to the United States from China showed a rise in almost all components; only materials like 'Footwear', 'Clothing' and 'Aluminium' decreased by a little (ITC-Imports, n.d.). The next, in 2019, when most of the tariffs imposed by Trump's administration were active, the imports dropped drastically; this time, the picture was totally opposite from 2018 (ITC-Imports, n.d.). There were only a couple of components that grew, like 'Chemical Products' (ITC-Imports, n.d.). The exports from the US to China picture is a little bit different. From 2017 to 2018, nearly all products were imported in more significant amounts apart from the materials related to agriculture like seeds, grains, meat etc. (ITC-Exports, n.d.). The reason for that is the Chinese implementation of a 25% tariff on agricultural products in April 2018 as a response to the tariff placed by the Trump administration (Staff, Reuters, 2020). 2019 was a challenging year for the imports to China as most of the trading commodities dropped, like the 'Minerals' lost up to 60% (ITC-Exports, n.d.), primarily because of the mutual tariffs that began to work in 2018 and continued to the following year. The year 2020 was not much better for the trade between Washington and Beijing; the pandemic of Covid-19 broke out, which slowed down all processes worldwide; this topic will be discussed in the next chapter.

5. Covid-19

5.1 SARS-CoV-2 (Covid-19)

The Coronavirus (Covid-19) pandemic that started its path at the beginning of 2020 can be considered one of the biggest struggles for people and countries worldwide. It was one of the most massive pandemics in history and the largest from the Spanish Influenza that broke out after the Great War. The World Health Organisation (WHO) states that most people cope with Covid-19 without harsh consequences, but it is pointed out that anyone can be infected with the virus (World Health Organization, n.d.). According to the organisation, the information about the virus came to light when the Chinese office of WHO picked up a media statement from a China city in Wuhan about 'viral pneumonia' (Timeline WHO, n.d.). By the end of January 2020, the WHO director visited China and returned to announce the (PHEIC) 'Public Health Emergency of International Concern', the highest level of alarm (Timeline WHO, n.d.). The fact shows how fast and unexpected was the development of the pandemic; it only took a month for the virus to spread to a level when the world declared an emergency.

The response to the pandemic could not be fast since it could not be predicted by any chance. It was not until December 8, 2020; the first vaccine was administrated outside the clinical experiments (Watson, 2022, p.1293). By December 2021, the percentage of people who received first dose reached 55.9% worldwide, and the number of deaths due to the virus during that one year equalled 3,5 million people (Watson, 2022, p.1293). The total number of deaths as of July 2023 is just over 7 million people (with up to 3 million in the Americas and 800,000 in South-East Asia) and 770 million confirmed cases (WHO Coronavirus, n.d.) The numbers suggest how much change the pandemic brought to all sectors of the world; the economy was damaged the most. The

focus on medicine and self-protection by the countries hit communications between them; trade, for instance, had to deal with struggles which would be seen in the next subsection; on May 5, 2022, WHO Director-General Tedros Adhanom Ghebreyesus called to remove PHEIC status of Covid-19, officially ending the pandemic (Hub Sdg, n.d.).

5.2 Covid-19 - effect on the world trade

Such a turbulent event like a pandemic will undoubtedly affect all aspects of life, including trade which in 2020 faced a downfall. If we take statistics about the evolution of world trade since 1970, it is possible to notice that year 2020 had a decrease compared to the previous 2019 by 198 volume points from 4232 to 4034 (WTO, n.d.). The volume index has been calculated since 1950, and the trend in the statistics was always positive, meaning that growth could be seen nearly every year (WTO, n.d.). Apart from 2020 with Covid-19, minor downfalls could be seen in the years 1958, 1975, 1981, and 1982 but the largest was in 2009, with nearly 400 points decrease, after the economic crisis of the previous year (WTO, n.d.). The growth of value in 2021 recovered by 340 points compared to 2020 and by 40 points compared to 2019 (WTO, n.d.), which demonstrated the importance of trade as an instrument in the economy.

Despite the statistics mentioned above, numbers related to the evolution of world trade, but this time in billions of USD, suggest a slightly different conclusion (WTO, n.d.). The drop in statistics for the year 2020 was 1,4 billion USD which, according to the graph, is not a significant value (WTO, n.d.). There were numerous falls in the 21st century that was harsher than the one during the pandemic; examples can be the previously mentioned 2009 with more than 3,5 and 2015 with more than 2,5 billion USD (WTO, n.d.). It does not mean that 2020 was not significant, but rather the fact that the money circulation was not as large as the trade development. The importance

of analysing the Covid-19 worldwide trade effect is to provide a broader picture of the consequences of trade between China and the United States during Trump's office. It is needed to explain the fall of trade activity during the last years of his presidency and the reason behind it.

5.3 Covid-19 - effect on US-PRC trade

One of the first changes can be noticed in the trade balance between countries. There was a decline in trade activity in 2020 if compared to 2019; the balance shifted by +35\$ billion USD from -342\$ billion USD to -307\$ billion USD (Census, 2019). An interesting fact in the statistics is the continuation of the decline in trade since the balance in 2018 was 418 billion, but the following year showed a decrease of 76 billion and equalled the previously mentioned 342 billion with both imports and exports decline (Census, 2019). The reason for such a change could have been the accelerating trade war between PRC and USA. Mutual tariffs, which, however, were initiated by Donald Trump, reduced the possible and profitable sectors in which countries could trade, leading to a double fall. In March 2020, the total amount of imports to the United States from China only equalled 19\$ billion USD, the smallest value of that kind since the economic crisis of 2008 (Census, 2019). The negative trend could be visible from November 2019 (Census, 2019); in March 2020, the decline and the pandemic's beginning met and created the lowest point of trade interaction between the countries.

Another variable that is crucial for the analysis of the effect is the statistics of what was imported and exported. The pandemic reduced imports from China to the United States in almost all sectors; an example of an exception can be 'Made up textile articles', which increased by 13\$ billion USD compared to 2019 (ITC-Imports, n.d.). The sector which got hit the most is goods that use electricity to function, i.e., 'Electrical machinery and equipment', which fell by 14\$ billion

USD (ITC-Imports, n.d.). The same sector, like many others, in 2020 suffered for the second time in two years period; from 2018 to 2019, the numbers reduced by 27\$ billion USD (ITC-Imports, n.d.). Once again, the results demonstrate that the trade between China and the United States was not in ideal conditions during the 2018-2020 period because of the pandemics and the trade war. Interestingly, the Covid-19 situation around the world stimulated trade of 'pharmaceutical products' between the PRC and the US by nearly 600,000\$ USD between 2019-2020, which was the most significant growth in the 21st Century (ITC-Imports, n.d.).

The exports are a bit more interesting to watch. The pandemic did not have as much effect on exports from the United States to China. Nearly all commodities went through minimal change in statistics, only sectors like agriculture (+ 4\$ billion USD) and cotton (+900,000\$ USD) had a visible positive fluctuation (ITC-Exports, n.d.). Aircrafts and spacecrafts was the sector which fell the most (-6,5\$ billion USD) (ITC-Exports, n.d.); the reason for that can be the focus of Beijing focusing on the pandemic. The pharmaceutical products imports went up similarly to the United States (+800,000\$ USD), which once again can be related to the treatment of Covid-19 (ITC-Exports, n.d.). The covid-19 pandemic is one of the most significant limitations to the analysis which is performed in this work. It had a similar effect on the world's economic processes as the crisis of 2008, and because of that doesn't entirely give a picture of how Donald Trump's politics affected the trade with China.

6. Joseph Biden

6.1 Joseph Biden's politics

Joseph Biden is the 46th President of the United States of America, who came to the White House in January 2021 and remains the head of the state. Joseph Biden, a candidate from the Democratic party in the United States, won the presidential elections in 2020 against Donald Trump, who campaigned for the second term. Biden entered the campaign with slogans against Trump and the will to specifically heal U.S. politics, political polarisation (Levingston, 2021). One of the most vital points to increase Biden's support of the voters was the bad management of the Covid-19 pandemic; in some meetings with the supporters, Biden spoke to people who sat in their cars and honked in instead of applauding (Levingston, 2021) From the very beginning of the campaign, we can see that Biden took anti-Trump rhetoric and pointed out his weaknesses. It was possible at the time to suggest that the policies made by Trump, trade tariffs with China in particular, would be renegotiated and that coping with the pandemic would be more efficient.

One of the first and the 'brightest', initiatives of Joseph Biden in the office was his proposal to invest 3.5\$ billion USD into the domestic economy (House, White, 2021). The idea was to improve the economic condition of the country by heavily supplying sectors like; healthcare, education, clean energy, supporting the middle class etc. (House, White, 2021). Healthcare would be adjusted to families spending only up to 7% of their income on the medical treatment of children, and elderly people would receive even better care with the expansion of Medicaid (House, White, 2021). The proposal was first discussed on March 31, 2021, but it was passed only on November 19 of the same year but with slightly different numbers; the project budget was decreased to 2.2\$ billion USD (Cohn, 2022). The focus of Biden on healthcare, even if it was not

the primary aim, is showing the difference between his and Donald Trump's politics as the second built rhetoric against Obamacare when campaigning for the presidential spot. There is a possibility to say that Biden, during his campaign and early months in office, was the answer to the inconvenient presidency of Trump, which by the end of 2020 was not appreciated by many Americans.

6.2 Joseph Biden's Relationship with the People's Republic of China

The foreign policy of Biden was expected to be the opposite of the one performed by Trump. During the campaigns of both candidates in 2020, Trump made a statement where he showed wariness of the future foreign policy towards China by his opponent by saying that it would not be 'tough enough' (Eran, 2020, p.1). It was expected that China would 'test' the new administration in different geopolitical areas such as Taiwan, the South China Sea, and the border with India enough' (Eran, 2020, p.3). Biden made a clear point about Taiwan on May 5, 2022, when the State's Department released a fact sheet where the United States were following the 'One China policy but at the same time mentioned its relations with Taiwan which Chinese officials called a trick to bring obscurity to the policy (Briefing, China, 2023). The previous fact highlights that Biden's administration had a more flexible position on China than the previous President. Even before coming to the White House, Trump made it clear to everyone that his attitude toward China and the confrontation points with it would be harsh; the call to the leader of Taiwan at the end of 2016 is a good example. Biden demonstrated a 'softer' position and was more open to dialogue; the question of the trade war with China was one of the main in the list.

Another fact that demonstrates Joseph Biden's openness towards China was Antony Blinken's visit to Beijing. The State Secretary of the United States travelled to the People's

Republic of China with a two-day visit, from 18-19 June 2023, where he had meetings with the President, Director of Central Foreign Affairs Office, and Foreign Minister (U.S. Department of State, 2023). Blinken highlighted the importance of open channels between the states on a wide range of issues to minimise possible miscalculations (U.S. Department State, 2023). At the same time, the discussion continued into topics where U.S. and China are competing, like concerns of Washington about Beijing's intelligence activity in Cuba (U.S. Department State, 2023). The talks between the highest-ranking officials of China and a person of the same level in the U.S. show that the dialogue during Biden's presidency was and most probably will be much more productive than Trump's. Biden can be more open politically, but in the trade sector, the actions are different and have a more negative connotation.

6.3 Joseph Biden's trading policies with China

The trade balance between China and the United States during the office of Joseph Biden cannot be analysed fully due to the presidential term continuing until January 2025. From the data for 2021, 2022 and five months of 2023, we can see that the imports and exports both grew during these years (Census, 2019). The balance in 2021 increased by -45\$ billion USD from the Covid 2020 stat -307\$ billion USD to -352\$ billion USD (Census, 2019). The number went back to the level of 2019, when the trade war was most active, suggesting that trade between the states managed to recover from the pandemic in just one year. Partial support for the previous argument is the increase in the balance for 2022, meaning that the trade activity increased even more. The following 2022 showed an increase of -30\$ billion USD to -382\$ billion USD (Census, 2019). Despite the trend of the rise in those two years, the first five months of 2023 only showed a -106\$

billion USD trade balance which is much lower than the January-May statistic of 2022, equalling -160\$ billion USD (Census, 2019).

The picture of exports and imports between the states is similar to the balance; the statistics demonstrate the growth of imports and exports in the two-year period. There has been an increase in almost all materials that were imported into the United States. In 2021, all top-5 components: electrical machinery, nuclear reactors, toys, furniture, and plastics and derivatives of all these products came to the United States in more significant amounts (ITC-Imports, n.d.). The increase varied from 20\$ to 6\$ billion USD for these products was the most significant rise since 2015 (ITC-Imports, n.d.). One of the reasons for such a boost can be the previously mentioned recovery of all economic life after the pandemic; the need for trade to rebuild the domestic economy was always helpful. In 2022, the growth was not so immense but was still present if compared to the previous year; only two out of top-5 components showed an increase, but the rest fell only from 1\$ to 4\$ billion USD (ITC-Imports, n.d.). Many products in the list, for example, nuclear reactors and steel, reached and surpassed the numbers of 2018, the last year before the beginning of the trade war (ITC-Imports, n.d.).

The export numbers from the United States to China suggest the same picture as imports in the previous paragraph. Nearly all components whose total price is over 1\$ billion USD grew in 2021 compared to 2020 (ITC-Exports, n.d.). There has been a slight decline in three products: Cotton, Perfumery and Pulp of Wood, but the changes only varied from 30\$ - 500\$ million USD (ITC-Exports, n.d.). The following 2022 did not have the same growth, similar to the imports trend, but it had 'floating' results with increases and declines in the materials (ITC-Exports, n.d.). It is possible to say that Biden did not do anything outstanding to improve the trade relations with China; the growth was present because of the trade recovery after the pandemic. Another reason

for the increase can be the signing of the One Phase trade deal, which took place in 2020 (USDA, 2021). The agreement meant that China, in the upcoming years, would purchase more U.S. products (USDA, 2021), boosting imports and relations with Washington. 2022, however, as was visible from both the trade balance and the exports/imports statistics, did not show the same numbers of rise. The trade balance trend of 2023 suggests that the trade relationship might decline once again.

One of the most 'visible' actions made by Biden towards trade with China was performed in 2022. On October 7, the Department of Commerce's Bureau of Industry and Security (BIS) released updates that strengthen export control to protect U.S. foreign policy interests and national security (Commerce Implements, 2022, p.1). The document ordered to restrict the ability of China to buy and produce technological chips which are used in computers, military applications and to obtain those which were produced based on previous contracts (Commerce Implements, 2022, p.1). One of the ways for these rules to function was the implementation of new licence requirements for those chips, which will be used in the PRC at the end of the trade chain (Commerce Implements, 2022, p.3). The overall position of Joseph Biden against China, both politically and economically, is controversial. The current President of the United States is making mixing positive moves with more aggressive rhetoric. The June visit of Blinken is a demonstrative move telling the world and Beijing that the U.S. is ready for a dialogue, but at the same time, actions such as the chip ban show that the countries are indeed in competition.

7. Chinese policies

PRC trade policies with the United States

The overall trading policies adopted by the People's Republic of China were not pleasant for most countries that had trade with it, the United States in particular. There are numerous ways in which Beijing manipulated trade with the U.S. to stimulate their benefits; manipulating currency can be a good example (Siripurapu, 2022). The policy can be summarised as China keeping the U.S. Dollar reserves at a high level to reduce the value of their currency, renminbi, or Yuan, manually (Siripurapu, 2022). This move makes the exports to the United States more profitable while the imports are considered less relevant (Siripurapu, 2022). Another method of benefiting more from the trade is the creation of 'National Champions' companies financially supported by Beijing (Siripurapu, 2022). Experts argue that since the government supports these companies, they are incredibly hard to compete with the companies that enter the Chinese markets from the outside (Siripurapu, 2022). The United States argues that the government uses these companies and that they are 'arms of the state', highlighting at the same time that private enterprises make their decisions based on the market situation (Siripurapu, 2022). These measures are not aimed at the United States directly, but since Washington is a crucial trade partner that actively trades with China, all the negative consequences of such policies fall on it first. In his campaign and presidency, Donald Trump used these measures as justification and the primary reason for implementing tariffs on China in 2018.

One of the most directly harmful policies implemented by Beijing against Washington is the previously mentioned tariffs and the beginning of a trade war. The answer from China on tariffs imposed by Donald Trump began on April 2, 2018, when the state imposed a 25% tariff on 128

products from the United States, including soybeans and airplanes (Timeline: U.S-China, 2020). After more than a year, on August 2, 2019, China responded by stopping the purchase of U.S. agricultural products, and at the same time, Yuan fell to 7 per 1\$ USD (Timeline: U.S-China, 2020). On August 23, China announced U.S. goods worth 75\$ billion USD which remained the last tariff package under Trump (Timeline: U.S-China, 2020). The responses by China in 2018 and 2019 were not as 'harsh' compared to the tariffs imposed by Trump (see Chapter 4). The following measures by China were implemented in 2022, on November 25, when goods worth 100\$ billion USD were tariffed (U.S. China Briefing, 2023). The trade war initiated by Donald Trump continued during Biden's office, but the 'heat' dropped due to less aggressive rhetoric from the White House. In this trade war, China acts more like a victim by only responding with measures on already imposed tariffs by Washington. Still, at the same time, these measures increased political and economic tensions between them.

8. Comparison

Comparison

Before comparing the three presidents and their impact on trade with China, it is crucial to mention that they all had different environments during their terms. Obama came into office during the aftermath of the 2008 crisis, similar to when Biden began his term with the impact of the Covid-19 pandemic. It was crucial for both presidents from the Democratic party of the United States to health foreign trade not only with China but with Beijing in particular because it was and still is one of the strongest economies in the world. Trump took the oval office when the U.S. was in a different condition in terms of trade. It gave Trump a better-starting position to perform the reforms

he promised the voters during the election campaign. It is possible to suggest that Obama's politics and the recovery process after the 2008 crisis made it possible for the economy of the U.S. to reconsider its trade relationship with China under Trump. The election of Trump put the U.S. on the rails of change and switched the growth trend in trade with China.

Obama's 'Pivot to Asia' and the declaration of official focus on Asia in 2011 (Shambaugh, 2013, p.10), together with his visit to China in November 2009 (Hachigian, 2010, p.2), were a perfect demonstration of his attitude towards that region. The Pivot could not have been the main reason for the deepening of trade relations with China, but it did not negatively impact it. Obama practised a much more friendly relationship with China than the future presidents, which had different decisions and policies towards Beijing. On the other hand, Trump initially positioned himself as a politician that would have a complex relationship with China; his speech in May of 2016, when Obama was still in office, demonstrates that (BBC, 2016). The initiation of the Trade War was also a decision which had an apparent anti-Chinese connotation (Staff, Reuters, 2020). Biden had the most controversial position towards the issue out of all three. He undoubtedly had a more peaceful rhetoric towards China but simultaneously made restrictive decisions. June's 2023 visit of Blinken (U.S. Department State, 2023) can be considered a move towards Beijing or at least highlighting the difference from Trump. The restriction on exports of electronic components to China in 2022 (Commerce Implements, 2022, p.1) is, however, a much more negative policy which lies in the Trade War paradigm. All three heads of state had their views on trade with China which they applied based on the conditions they inherited from their predecessor.

To make a more valuable comparison, looking more in-depth at the trade statistics on export and imports between the states is helpful. To demonstrate changes in imports from China, we can look at the total adjustment of top-5 products that were imported from 2009 to 2022: (1)

‘Electrical machinery and Equipment’, (2) ‘Nuclear Reactors’, (3) ‘Toys’, (4) ‘Furniture’ and (5) ‘Plastics’ (ITC-Imports, n.d.). Barack Obama will only be analysed during his first term because it will show the immediate effect on numbers under new-coming presidents fairly since Trump and Biden only served one term. Under Obama’s term, the imports of these products changed the following way: (1) +33\$, (2) +35\$, (3) -5\$, (4) +3\$ and (5) +4\$ billions USD (ITC-Imports, n.d.). Under Trump’s term, the numbers were: (1) -36\$, (2) -6\$, (3) +2\$, (4) -6\$ and (5) +6\$ billion USD (ITC-Imports, n.d.). Biden’s term impacted the import numbers in the following way: (1) +33\$, (2) +28\$, (3) +15\$, (4) +4\$ and (5) +5\$ billion USD (ITC-Imports, n.d.). It is essential to notice that the growth under Obama was directly impacted by the crisis of 2008, which dropped imports drastically. A remark is needed for Biden as well; we are only able to assess two out of his four years in office and the fact that the recovery of the trade after the pandemic was not entirely his achievement. Already from here, it is possible to conclude that Trump had a drastic impact, but Covid-19 should also be taken into account as an event which was not caused by him (see Chapter 5).

The exports from the U.S. to China also differs depending on who was in the White House during that period. The top-5 export products slightly vary from the imports: (1) ‘Oil seeds’, (2) ‘Nuclear Reactors’, (3) ‘Mineral Fuels’, (4) ‘Electrical Machinery’ and (5) ‘Optics’ (ITC-Exports, n.d.). The changes under Obama’s office were the following: (1) +7\$, (2) +3\$, (3) +2\$, (4) -1\$ and (5) +5\$ billions USD (ITC-Exports, n.d.). Under Trump, the stats changed the following way: (1) -3\$, (2) +1\$, (3) +10\$, (4) +3\$ and (5) +2\$ billions USD (ITC-Exports, n.d.). Biden caused the numbers to change in the following way: (1) +9\$, (2) +3\$, (3) +9\$, (4) +1\$ and (5) +1\$ billions USD (ITC-Exports, n.d.). The exports to China were not affected so much partially because they were not as significant in comparison to imports. There was a constant growth of exports during

the terms analysed, apart from -3\$ billion in 'Oil Seeds' under Trump, which were caused by the tariffs imposed during the trade war,

The impact on trade from the decisions made by Obama can be seen in the statistics. During both of his terms, there has been a constant trade growth trend with China which would not be repeated under Trump or Biden. With his 'Pivot', he turned the United States towards Asia to develop ties with that region even more. Trump, on the other hand, tensed the relationship with China to incredibly high levels and, by initiating the Trade War, placed both countries in a position of economic conflict. He also lowered the trust of the Asian partners with his politics towards the region, leaving Biden with few options to improve the situation (Elms, 2021, p.46). The impact of the politics of Biden towards China cannot be fully analysed due to his remaining 17 months in the White House, but he undoubtedly brought the tensions between the states down. Biden was criticised for his more pro-China views during the election campaign by Donald Trump (Eran, 2020, p.1). The future is also unclear because of the shifting decisions and policies by the current president of the United States; the trade balance trend of China and the United States in the first five months of 2023 may suggest less activity during this year compared to the previous two.

9. Conclusion

Conclusion

This essay aimed to analyse and discuss impact of Donald Trump's presidency on the trade between China and the United States and compare this influence with the presidencies of Barack Obama and Joseph Biden. Trump's politics, in conclusion, did have an enormous effect on trade because of his decisions, policies and negative position towards China. Trade tariffs imposed by

Trump on China led to changes not occurring in the 21st-century trade relationship between Washington and Beijing made by one presidential administration. However, the blame for the radical fall in trade numbers cannot be placed on Trump alone. It is clear that his decisions caused the 2019 drop, but the Covid-19 pandemic already influenced the further descent in 2020. It is possible to say that the trade would not fall so drastically in 2020 if there were no tariffs imposed two years prior. The research highlights how politics directly influence trade and how important the second is for the relationship with a state. The comparative method of analysis was chosen in this thesis to provide a picture of the impact of politics and how approaches to economics help shape politics. A more protective economic model would shift the political focus on the country itself rather than on the others. The analysis in this work also makes a point about the external factors affecting politics and how both influence future trade.

Another conclusion from this work is that each head of the state, in this case in the United States, has his views and politics in different regions. There can be no guarantee that the next president will not switch from supporting and developing one region and start looking towards another or focusing on the country. Obama and Trump are perfect examples. One of the possible contributions of this work to the field of politics and economics is the focus on the politics of the presidents as a primary influencer for trade policies. Their views on domestic and foreign policies build a vector in which trade relations will develop for at least one term, that is, of course, excluding external factors like crises and pandemics, which were discussed in this thesis. Such a view on the analysis may help to predict the future of trade relations between China and the United States under presidents even during their election campaigns. The overall research and the findings in this thesis partially share conclusions with the other work on the topic and field, agreeing that

Trump significantly impacted trade. Still, this analysis adds a different perspective and consequences on the issue.

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