



Trump, Tariffs and Trade

by Ted Wodoslawsky, c3controls

Introduction

“Hello, Hello, anybody home? Hey, think, McFly, think.” - Biff, to George McFly in “Back to the Future.”

“It’s Deja Vu all over again.” - Yogi Berra

It should have come as no surprise that the Trump administration, version 2.0 slapped China with tariffs. Significant tariffs.

The trajectory of U.S. tariffs on Chinese-manufactured products has evolved significantly from the first Trump administration through the Biden administration and into the current Trump administration.

First Trump Administration (2017–2021)

In 2018, President Donald Trump initiated a series of tariffs on Chinese goods, citing concerns over intellectual property theft and trade imbalances. These tariffs affected hundreds of billions of dollars’ worth of imports, leading to retaliatory measures from China. The escalating trade tensions prompted negotiations, culminating in the “Phase One” trade deal signed in January 2020. Under this agreement, China committed to increasing purchases of U.S. goods and implementing structural reforms, while the U.S. agreed to reduce some tariffs. However, many of the initial tariffs remained in place.

Biden Administration (2021–2025)

Joe didn't change a thing. President Joe Biden largely maintained the tariffs imposed during the Trump era, emphasizing a strategic approach to address China's trade practices. The administration focused on working with allies to confront China's economic policies and implemented new restrictions, particularly targeting Chinese semiconductors and clean energy products. Despite diplomatic engagements, significant tariff reductions were not realized during this period.

Second Trump Administration (2025–Present)

Enter Trump v2.0. Upon returning to office in January 2025, President Trump swiftly moved to escalate trade measures against China. On February 1, 2025, he signed an executive order imposing a 10% tariff on all Chinese imports, effective February 4. China responded with retaliatory tariffs on U.S. goods, including a 15% tariff on coal and liquefied natural gas and a 10% tariff on oil and agricultural machinery. Subsequent months saw further escalations:

- **March 4, 2025:** The U.S. increased tariffs on Chinese imports from 10% to 20%. China retaliated with additional tariffs on U.S. agricultural products and launched investigations into U.S. companies.
- **April 2, 2025 ("Liberation Day"):** President Trump declared a national emergency, imposing a universal 10% tariff on all imports and higher, country-specific tariffs on approximately 60 nations, including a 34% additional tariff on Chinese goods. This action resulted in an effective tariff rate of 54% on Chinese imports.
- **April 9, 2025:** The U.S. further increased tariffs on Chinese goods to 125%, prompting China to impose a 34% tariff on all U.S. imports and suspend certain agricultural imports.

Escalation of Tariffs

- **U.S. Increases Tariffs:** On April 9, the U.S. raised tariffs on Chinese imports to an effective rate of 145%, marking the highest level in modern history.
- **April 11, 2025:** In response, China increased its tariffs on U.S. goods to 125% on April 11.

Policy Adjustments and Exemptions

- **Tariff Pause:** President Trump announced a 90-day pause on reciprocal tariffs for most countries, maintaining the 10% baseline tariff. However, this pause did not apply to China, where tariffs remained elevated.
- **Product Exemptions:** The administration exempted certain electronics, such as smartphones and laptops, from the new tariffs to mitigate potential negative impacts on consumers and businesses.

May 2025 Developments

- **May 10, 2025:** The U.S. and China reached an agreement to reduce tariffs for a 90-day period. The U.S. reduced its tariffs on Chinese imports from 125% to 10%, while China lowered its tariffs on U.S. goods from 125% to 10%.
- **May 14, 2025:** The tariff reductions took effect, providing temporary relief to businesses and consumers affected by the trade tensions.
- **May 28, 2025: HOLD THE PRESSES** We were just about to distribute this paper, when the U.S. Court of International Trade blocked President Trump from imposing some of the steepest tariffs. This use of the 1977 International Emergency Powers Act to levy tariffs had never been used for that purpose. The court found that President Trump had exceeded his authority. The 1977 law does not mention tariffs, but primarily trade embargoes and sanctions.
- **May 29, 2025:** The U.S. Court of Appeals for the Federal Circuit on Thursday granted the Trump administration's request to temporarily pause a ruling by the New York-based Court of International Trade, which had struck down President Trump's tariffs just one day earlier. The stay will remain in place while the legal challenge continues to move through the courts.

In summary, it's been a road full of twists, turns, starts, stops, and restarts. It is unlikely to change anytime soon. If, for some reason, you didn't de-source after the initial China tariffs, the covid supply chain collapse, and Biden not backing off Trump's tariffs, then the recent tariff roller coaster ride should convince you to exit China as fast as you can.

How Can c3controls Help You Exit China, or At Least Lower Your Risk?

U.S. - based c3controls products are designed by us. They are “our” products. Nearly all manufacturing and assembly (almost 95%) is completed either in the USA, or nearshoring or friend-shoring countries. This is not a new strategy. It was well in place before the COVID-19 pandemic and subsequent supply chain collapse, and this current situation.

Call us smart, call us paranoid, call us patriotic – but call us to find out how we can help you lower your risk and cost of doing business.

Disclaimer:

The content provided is intended solely for general information purposes and is provided with the understanding that the authors and publishers are not herein engaged in rendering engineering or other professional advice or services. The practice of engineering is driven by site-specific circumstances unique to each project. Consequently, any use of this information should be done only in consultation with a qualified and licensed professional who can take into account all relevant factors and desired outcomes. The information was written with reasonable care and attention. However, it is possible that some information is incomplete, incorrect, or inapplicable to particular circumstances or conditions. We do not accept liability for direct or indirect losses resulting from using, relying or acting upon information in this article.