

# Project\_Facts\_2020

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# Text: More pain than gain: How the US-China trade war hurt America

## ► ORIGINS OF THE TRADE WAR

► During the 2016 presidential campaign, a consistent refrain from then-candidate Trump was to point to U.S. trade with China, and the agreements that enabled it, as a primary cause of the loss of U.S. manufacturing jobs and intellectual property. He said China was responsible for “the greatest theft in the history of the world” and lambasted the U.S. trade deficit with China, which in 2016 *stood at around* \$346 billion. He declared, “We can’t continue to allow China to rape our country.” Building on the image of Donald Trump as the ultimate dealmaker, his campaign released a strategy to reform the U.S.-China trade relationship, in which it pledged to “cut a better deal with China that helps American businesses and workers compete.” Trump laid out a four-part plan to secure a better deal with China: declare China a currency manipulator; confront China on intellectual property and forced technology transfer concerns; end China’s use of export subsidies and lax labor and environmental standards; and lower America’s corporate tax rate to make U.S. manufacturing more competitive.

- ▶ Upon entering office, Trump sought to engage Beijing directly to address structural concerns about China's economic policies. Just three months into his administration, he met with Chinese leader Xí Jìnpíng 习近平 at Mar-a-Largo, where they agreed to establish a 100-Day Action Plan to resolve trade differences. The next month, China agreed to open its economy (slightly) to U.S. firms and services in exchange for greater Chinese access on bilateral trade and U.S. recognition of China's Belt and Road Initiative. Yet follow-on negotiations fizzled as Washington pushed Beijing for more concessions and Beijing rebuffed American pressure. The 100 days concluded in July 2017 with no agreement, no press conference, and no joint statement out of the first meeting of the U.S.-China Comprehensive Economic Dialogue (which was declared dead by the Trump administration four months later).
- ▶ President Trump launched the trade war to pressure Beijing to implement significant changes to aspects of its economic system that facilitate unfair Chinese trade practices, including forced technology transfer, limited market access, intellectual property theft, and subsidies to state-owned enterprises. Trump argued that unilateral tariffs would shrink the U.S. trade deficit with China and cause companies to bring manufacturing jobs back to the United States. Between July 2018 and August 2019, the United States announced plans to impose tariffs on more than \$550 billion of Chinese products, and China retaliated with tariffs on more than \$185 billion of U.S. goods.

# ECONOMIC COSTS OF THE TRADE WAR

- ▶ The trade war caused economic pain on both sides and led to diversion of trade flows away from both China and the United States. As described by Heather Long at the Washington Post, “U.S. economic growth slowed, business investment froze, and companies didn’t hire as many people. Across the nation, a lot of farmers went bankrupt, and the manufacturing and freight transportation sectors have hit lows not seen since the last recession. Trump’s actions amounted to one of the largest tax increases in years.”
- ▶ A September 2019 study by Moody’s Analytics found that the trade war had already cost the U.S. economy nearly 300,000 jobs and an estimated 0.3% of real GDP. Other studies put the cost to U.S. GDP at about 0.7%. A 2019 report from Bloomberg Economics estimated that the trade war would cost the U.S. economy \$316 billion by the end of 2020, while more recent research from the Federal Reserve Bank of New York and Columbia University found that U.S. companies lost at least \$1.7 trillion in the price of their stocks as a result of U.S. tariffs imposed on imports from China.



- ▶ Numerous studies have found that U.S. companies primarily paid for U.S. tariffs, with the cost estimated at nearly \$46 billion. The tariffs forced American companies to accept lower profit margins, cut wages and jobs for U.S. workers, defer potential wage hikes or expansions, and raise prices for American consumers or companies. A spokesperson for the American Farm Bureau stated that “farmers have lost the vast majority of what was once a \$24 billion market in China” as a result of Chinese retaliatory actions.
- ▶ Meanwhile, the U.S. goods trade deficit with China continued to grow, reaching a record \$419.2 billion in 2018. By 2019, the trade deficit had shrunk to \$345 billion, roughly the same level as 2016, largely as a result of reduced trade flows. It should be noted that, while the U.S. deficit with China decreased, its overall trade deficit did not. Trump’s unilateral tariffs on China diverted trade flows from China, causing the U.S. trade deficit with Europe, Mexico, Japan, South Korea, and Taiwan to increase as a result.



- ▶ China also felt economic pain as a result of the trade war, though apparently not enough to capitulate to the Trump administration's core demands for major structural reform. Indeed, as the trade war dragged on, Beijing lowered its tariffs for its other trading partners as it reduced its reliance on U.S. markets. The final deal that both sides announced on January 15, 2020, largely resembled the offer Beijing had put on the table from the start — increased goods purchases plus commitments on improved intellectual property protection, currency, and forced technology transfer.
- ▶ Missing from the deal was any forward movement on subsidies, state-owned enterprises, and China's uses of industrial policy to advantage its own firms over foreign competitors. Progress on market access also proved underwhelming outside of the financial sector. These and other challenges were put off for a phase two negotiation, which Trump recently said is not under consideration.
- ▶ Original Text: <https://www.brookings.edu/blog/order-from-chaos/2020/08/07/more-pain-than-gain-how-the-us-china-trade-war-hurt-america/>

## Key words:

- Agreements, Trade war , Donald Trump  
Trade deficit, Deal, Beijing, USA,  
China, Tariffs.

# Palavras desconhecidas

Word	Translation
Agreements	Acordos
Enabled	Permitir
Dealmaker	Negociador
Sought	Buscou
Concerns	Preocupações
Slightly	Levemente
Fizzled	Fracassaram
Purchases	Compras

Word	Translation
Theft	Roubo
Flows	Fluxos
Bankrupt	Falido
Freight	Carga
Profit	Lucro
Spokesperson	Porta-voz
Underwhelming	Decepcionante
Rebuffed	Rejeitado



# Compreensão do texto

O texto é dividido em dois tópicos: ORIGENS DA GUERRA COMERCIAL e CUSTOS ECONÔMICOS DA GUERRA COMERCIAL

No tópico ORIGENS DA GUERRA COMERCIAL é lembrado que durante a Campanha presidencial de 2016, o candidato Trump apontou para o comércio dos EUA com a China, e os acordos que o permitiram, como a principal causa da perda de empregos na indústria e propriedade intelectual dos EUA. É dito que a campanha de Donald Trump lançou uma estratégia para reformar a relação comercial EUA-China, sendo um plano de quatro partes: declarar a China um manipulador de moeda; confrontar a China em questões de propriedade intelectual e transferência forçada de tecnologia; acabar com o uso de subsídios à exportação pela China e padrões trabalhistas e ambientais fracos; e reduzir a taxa de impostos corporativos da América para tornar a fabricação dos EUA mais competitiva.

- ▶ Segundo o texto, Trump procurou envolver Pequim para tratar de preocupações sobre as políticas econômicas da China. No entanto, as negociações falharam. O presidente Trump lançou a guerra comercial para pressionar Pequim a implementar mudanças significativas em aspectos de seu sistema econômico que facilitem as práticas comerciais chinesas desleais.
- ▶ No tópico “CUSTOS ECONÔMICOS DA GUERRA COMERCIAL”, é dito que A guerra comercial causou perdas em ambos os lados. Conforme descrito por Heather Long no Washington Post, “U.S. o crescimento econômico desacelerou, o investimento empresarial congelou e as empresas não contrataram tantas pessoas. Em todo o país, muitos agricultores faliram, e os setores de manufatura e transporte de carga atingiram níveis nunca vistos desde a última recessão. As ações de Trump representaram um dos maiores aumentos de impostos em anos.”
- ▶ No texto, o acordo final que ambos os lados anunciaram em 15 de janeiro de 2020 se assemelhava em grande parte à oferta que Pequim havia colocado na mesa desde o início - aumento das compras de bens mais compromissos de proteção à propriedade intelectual, moeda e transferência forçada de tecnologia. O que estava faltando no acordo era qualquer avanço sobre subsídios, empresas estatais e os usos da política industrial da China para beneficiar suas próprias empresas em relação aos concorrentes.

# Análise gramatical

## Relative pronouns :

- ▶ **That:** The final deal that both sides announced on January 15, 2020, largely resembled the offer Beijing had put on the table from the start
- ▶ **Which:** These and other challenges were put off for a phase two negotiation, which Trump recently said is not under consideration.

## Modal verbs:

- ▶ **can't or can not (can negative form):** He declared, "We can't continue to allow China to rape our country."
- ▶ **Should:** It should be noted that, while the U.S. deficit with China decreased, its overall trade deficit did not. Trump's unilateral tariffs on China diverted trade flows from China,

# Phrasal Verbs

- ▶ **Stood at around:** He said China was responsible for “the greatest theft in the history of the world” and lambasted the U.S. trade deficit with China, which in 2016 stood at around \$346 billion.
- ▶ **Building on:** Building on the image of Donald Trump as the ultimate dealmaker
- ▶ **Dragged on:** Indeed, as the trade war dragged on, Beijing lowered its tariffs for its other trading partners as it reduced its reliance on U.S. markets.

## Linking words:

- ▶ **And:** Across the nation, a lot of farmers went bankrupt, and the manufacturing and freight transportation sectors have hit lows not seen since the last recession.
- ▶ **As:** As described by Heather Long at the Washington Post, “U.S. economic growth slowed, business investment froze, and companies didn’t hire as many people.
- ▶ **As a result:** U.S. companies lost at least \$1.7 trillion in the price of their stocks as a result of U.S. tariffs imposed on imports from China.
- ▶ **Though :** China also felt economic pain as a result of the trade war, though apparently not enough to capitulate to the Trump administration’s core demands for major structural reform.
- ▶ **Also:** Progress on market access also proved underwhelming outside of the financial sector.

# Reported speech

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## Examples:

- ▶ Trump argued that unilateral tariffs would shrink the U.S. trade deficit with China
- ▶ the United States announced plans to impose tariffs on more than \$550 billion of Chinese products

# Passive voice

## Example:

- ▶ the first meeting of the U.S. - China Comprehensive Economic Dialogue (which **was declared** dead by the Trump administration four months later).

# Verb tenses

## Simple Past

- ▶ Example: President Trump **launched** the trade war

## Present Perfect

- ▶ Example: Numerous studies **have found** that U.S. companies primarily paid for U.S. tariffs, with the cost estimated at nearly \$46 billion.
- ▶ Example: Numerous studies **have found** that U.S. companies primarily paid for U.S. tariffs.