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### Impacts of the US-China Trade War on the Global Supply Chain

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#### Abstract

A global supply chain can be understood to include all activities involved in the supply, production and distribution of a product or service from the primary supplier to the final consumer in the world. global scope. Around March 2018, the trade war between two world powers, the US and China Nations began to take place and soon after had a direct impact on the world economy. This war really affects the world on a global scale. While it can be difficult to predict the exact impact, as the globe continues to grow larger and the importance of technological developments increases, the

changes will certainly be felt not only in the US and China, but on a worldwide scale. As we begin to learn more about the exact ramifications of this conflict, manufacturers will be forced to carefully examine their current supply chains. To remain profitable, significant changes need to be made. This paragraph conducted based on the description of the research problem, analyzed information on the actual situation of the global supply chain, thereby providing management implications and proposing some solutions to limit risks for the global supply chain.

**Keywords:** US-China Trade War, Global Supply Chain, Tariffs

#### 1. Introduction

##### 1.1 US-China trade war situation

Now the political landscape is changing and the subsequent tension between the US and China is no secret. After more than a year with many protracted negotiations without reaching an agreement, from the end of April 2019, the trade tension between the US and China entered a new phase. The decisions to tax each other between the two largest economies in the world continue to be made one after another. Tension takes on new levels, with new complications. With the pressure imposed, the corresponding trade tensions can have a huge impact on the average consumer, sooner or later.

##### 1.2 Global supply situation

According to SEMI, an association involved in the global electronics supply chain, has been monitoring the situation and is concerned about a possible disruption of the market - a disruption that is not only difficult for consumers use but can also jeopardize access to global markets, which are integral to maintaining free and open trading.

So, how are rising trade tensions between the US and China affecting the global electronics supply chain, and how might they impact consumers? While the answer is really complicated and depends on a multitude of factors, we'll highlight the most likely scenarios below.

##### *Consumer goods*

There is currently a widespread view that many different consumer goods are made entirely or partly in China. This can literally have an impact, but the consequences from trade tensions are even more dire considering how dependent we are on Chinese goods in our daily lives. While the new tariffs are designed to deny consumer goods imported from China, such as Apple products, they could also impact the semiconductor industry. This can certainly be felt by consumers, because semiconductors are integral to the production of essential electronic circuit components, found in a wide range of consumer electronics, like a computer or smartphone.

As the cost of semiconductors increases, the cost of electronic circuits is also likely to rise, making consumer electronics more

expensive to manufacture and sell. In other words, the average consumer may not see an immediate change, but in the long run, consumer electronics prices are most likely trending up.

### ***China's reaction***

While tariffs can cause significant changes in the global electronics supply chain, it is China's response to these tariffs that is the real catalyst for major changes. China's response may not be limited to increased tariffs and regulations targeting US goods.

A mass boycott of American-made products is a real possibility. Because China's media is controlled by the state, a boycott can be widespread and effective.

China may also deliberately delay the approval of international business transactions. This form of retaliation could have a huge impact on American companies that do business with Chinese corporations. In fact, even companies that depend on Chinese-made goods to a small extent could face major changes, in pricing, or a re-alignment of their global supply chains. them, or both.

This scenario is also not merely hypothetical, as China has used these anti-tariff tactics before. At the very least, consumers in the US could see a slight increase in the prices of manufactured goods and corporations may have to reshape their supply chains. In the most extreme scenario, international trade and foreign investment could be hampered for decades to come.

### ***Sourcing from the US***

While imports from China are important and certainly at the forefront of trade tensions, exports from the US to China are also being questioned. Where physical goods from China are integral to US consumer goods, hardware, software, and services, an important element in the creation and innovation of exportable products in China. Country.

With the new restrictions, certain elements of hardware, software, and services have become more difficult to transact between businesses. This has resulted in businesses looking for alternatives in these areas, leading to disruptions in the global electronics supply chain, more complex manufacturing processes and potentially higher prices. on the consumer side. In short, both US and Chinese businesses are subject to new tariffs and increased trade conflicts.

### ***Global impact***

While the US and China are at the heart of the problem, the problem actually affects the world on a global scale. While it can be difficult to predict the exact impact, as the globe continues to grow larger and the importance of technological developments increases, the changes will certainly be felt not only in the US and China, but on a worldwide scale. As we begin to learn more about the exact ramifications of this conflict, manufacturers will be forced to carefully examine their current supply chains. To remain profitable, significant changes need to be made.

Currently, global supply chains all pass through China, and some argue that China has "armed" its dominance. Perhaps this trade tension will weaken China's dominance in global manufacturing. It will be interesting to see if this conflict leads to a shift in power and how it affects global production.

## **2. Theoretical basis**

### **2.1 Overview of the US-China trade war**

The prolonged US-China trade war has no common voice. According to experts, the completion of "Phase 1" of the US-China trade agreement can remain elegant in 2020 in the context of China's pressure on the US to withdraw tariffs, while the main act of the US President is Donald Trump responds with claims that the Chinese side perceives as angular.

On November 19, 2019, President Trump announced that if an agreement was not reached with Beijing, he would increase tariffs on Chinese goods.

Mr. Trump and US trade representative Robert Lighthizer acknowledged that if the tariffs were withdrawn in exchange for a deal that did not address core issues such as intellectual property acquisition and technology transfer, it would be would not be seen as "a good deal" for the United States. The US and China are still discussing how to tie the scale of the tariff withdrawal strategy to the preliminary terms set out in the agreement that failed in May. China previously demanded that the US immediately withdraw all taxes imposed after May 2019 and plans to gradually withdraw the remaining taxes. U.S. and Chinese officials, lawmakers and trade experts say the two countries are unlikely to reach an ambitious "Phase 2" trade deal in the context of the two leading global powers. This bridge is struggling to reach a "Phase 1" agreement. At a press conference in October with Vice Premier Liu He, who leads the Chinese negotiators, US President Trump said that he hopes to soon move to negotiations on "Phase 2 once the "Phase 2 is completed" Paragraph 1". According to Mr. Trump, "Phase 2. will accumulate major US lawsuits alleging that China steals US intellectual property by forcing US companies to transfer technology to Chinese adversaries.

Reuters news agency quoted official sources as saying that the US conducts the presidential election in November 2020, the complications in completing the "Phase 1" agreement, plus the White House's reluctance to cooperate. with other countries to pressure Beijing is dashing hopes of anything more ambitious in the near future. Beijing officials say they have no interest in negotiating the beloved "Phase 2" trade deal before the US presidential election, in part because they want to wait and see if Mr. Trump is re-elected for office. no more period 2. One Chinese official said: "It was Trump who wanted to sign these deals, not us. We have the ability to wait." During that time, an official in the Trump administration said that the US leader's top priority at the moment is to speak out about the "Phase 1" agreement, which commits China to import imported goods. American agricultural products on a large scale – "plus points" for Mr. Trump in the upcoming election campaign. Economists warn that the 16-month-long love war between these two leading global powers not only avoids the trust of businesses that depend on the Chinese market for billions of dollars in revenue. but also increases risks to the world economy falling into a state of deceleration.

In the USTR's 2021 Agenda Report submitted to the US Congress, President Joe Biden's trade team said it will work to improve relations with allies and protect workers. American movement. The report highlights that the restoration of fractured relationships with allies and trading partners will also be part of President Biden's response to

China strategy to address market "distortion". worldwide caused by industrial overcapacity. Thus, this report is considered one of the signals to formalize the statements of President Biden and Ms. Katherine Tai - his nominee for the position of head of USTR. In addition, the report also highlights the damage caused by China's unfair and coercive trade practices, and asserts that these acts "damage the national interests of the United States." ". Earlier, on the same day, in a written response to questions from parliamentarians, Ms. Katherine Tai affirmed that she would make every effort to fight a series of "unfair" trade and economic actions of China. She emphasized that she will try to use the implementation consultation process in the phase 1 trade deal that Washington and Beijing reached under former President Donald Trump to ensure the protection of intellectual property rights. American wisdom.

*Attack Technology:* Cong turmeric to be one in the febleness element core core decide determined the exist in of the a lot of enterprise. Do there the business Karma Central Country as Baidu, Alibaba and Tencent... contact keep pouring capital into the the attend sentence startup in valley valley Silicon - female cradle labour turmeric of the America to looking for new technologies. When the US accused China of stealing its technology, current capital row Billion USD this bag tie chop when the main permission total system Trump increased powers of the Foreign Investment Committee to block M&A deals febleness element country outside special bye in receive area labour turmeric. And conclude fruit to be 75% the China's investment deals fall into restrictions and control this. The strongest sanctions are that the US hits two leading Chinese technology enterprises, ZTE and Huawei.

+) ZTE (home product export smartphone and set bag network big in Central Country) bag fox force vi commit the command punish punish with Iran and Dynasty Fairy, guide next command prohibit anime move Commerce together the business Karma America. The business Karma America are not Okay sell set department technology and Translate service for ZTE. Command prohibit cause ZTE are not can next near part hard and software made in the US, causing the company to close many facilities around the world. This is because ZTE's products depend on high-end American chip sources. For example, in a ZTE phone, the US chip accounts for 60% of the processing chip material. Although President Trump called on the Commerce Department to lift the ban, the House Committee on Housing Distribution (under the US House of Representatives) rejected and passed an amendment to prevent the Department of Commerce from changing. internal content the command punish punish pressure go up ZTE, tell chief command prohibit export password for to March 2025. Thing this for see main permission America still real exam the command punish punish already pass out and next customary also try they. It will compartment block the labour ty Central Country with the Queen Controversy of the Chinese Government violates US regulations in the future future.

+) Huawei (Telecommunications company Huawei Technologies Co. of China, the 2nd largest phone manufacturing company in the world after Samsung), two branch companies and Group Chief Financial Officer and Vice Chairman Meng Wan Chu is charged with 13 counts of fraud and collusion in transactions with Iran. Ms. Meng, Huawei and a Hong Kong-based Huawei subsidiary, Skycom Technologies, were guilty of deceiving an

international bank, obstructing justice, conspiracy to launder money and violating the Emergency Economic Powers Act. International level (IEEPA) when conducting transactions with Iran - a country subject to US sanctions. In addition, the US accused Huawei of stealing robotics technology from the US company T-Mobile and promised to reward employees for stealing advanced technology from Huawei's competitors. On December 1, 2018, Canada announced that it had arrested Ms. Meng Wanzhou at the request of US authorities. And on January 29, Canada's Justice Department confirmed it had received an official request from the US to extradite Huawei's Chief Financial Officer Meng Wanzhou. The US wants to "hit" Huawei is considered leverage in the trade war with China. Because Huawei is "the darling" of China's ambitious "Made in China 2025" plan. And this action has weakened Huawei and raised the demand for China to expand its market school.

## 2.2 Supply chain concept

The supply chain includes all participating businesses, a directly or indirectly, in responding to customer needs, represents a shift material throughout the process from the initial supplier to the final customer. Chain supply includes all businesses and departments directly or indirectly involved in meet the needs of customers (Sonil Chopra, 2012). The supply chain is not only about the house manufacturers and suppliers, but also the transportation company, warehouse, retailer and its customers. A supply chain consists of many businesses, and each business can participate in many different supply chains. Each different product and service will form and exist different supply chains.

Supply chain management (SCM) is the management of supply and demand for the entire system of an enterprise, including all logistics management activities including planning and managing all operations. involved in sourcing, manufacturing and logistics operations. Management requires coordination between partners in a comprehensive supply chain to bring satisfaction to customers.

All products reach the consumer through some form of supply chain, some larger and some much more complex. With this supply chain idea, it is easy to see that there is only one source of profit for the entire chain, which is the end customer. When individual firms in the supply chain make business decisions without regard to other members of the chain, this ultimately leads to very high prices for the final customer, high levels of supply chain service response is low and this leads to low end consumer demand

So: A global supply chain, or a global network, is a system of organizations, people, information, activities, and resources involved in moving products and services from suppliers. to customers. Thus, the supply chain includes not only manufacturers and suppliers, but also transportation companies, warehouses, retailers and their customers. Supply chain operations are concerned with converting raw materials, natural resources and other components into a complete product or service delivered to the end customer.

## 2.3 The role and meaning of the supply chain.

Thus, the role of the supply chain in modern production and business is extremely important and necessary. Effective supply chain management will help businesses:

- Forming a production and business apparatus with a strict and unified process.

- Reduce unintended risks.
- Affirming the brand in the market through product lines that always ensure quality and reach consumers at the right time, at the right time.
- Developing businesses, taking the supply chain model further, integrating into the international economy.

90% of CEOs in the world put supply chain management on top when the competition in the market is increasing, the selling price in the market and the purchasing price of goods supply is increasingly tightened. An impactful supply chain will capture the market and the trust of customers, create shareholder value, and expand the strategy and reach of the business. In addition, in the current business environment, the supply chain is one of the factors that determine the competitiveness of enterprises compared to competitors in the same industry. Thanks to an efficient supply chain, large international corporations such as Dell and Wal-Mart have achieved 4-6% higher profits than their competitors. An independent study also shows that a few leading companies in the world such as Apple, Coca-Cola, Samsung have effectively utilized their supply chains to stand out in the competitive environment, achieving price increases. Company value 40% higher than other competitors. In addition, studies have shown that effective supply chain management can provide:

- Supply chain costs are reduced by 25-50%
- Inventory reduced by 25-60%
- Accuracy in production forecasting increased from 25-80%
- Improve order supply cycle by 30-50%
- Increase profit after tax up to 20%.

### 3. Analytical and analytical methods

#### 3.1 Method of proof argument

This is an argument using arguments, evidence and accepted facts to demonstrate the impact of the US-China trade war on the global supply chain. The arguments in the article have been selected and analyzed, contributing to a higher persuasiveness of the article.

#### 3.2 Analytical methods

This is a method in which the object is divided into many parts to dissect, analyze, and review the content comprehensively according to certain criteria and relationships. Analysis helps the reader understand different aspects of the problem. Through symbolic images, the interrelationships make it easier for readers to visualize instead of dry, abstract subjects.

#### 3.3 Method of interpretation

The article uses the explanatory method to explain, the concept of the global supply chain and its reality to make the reader understand and understand the problem properly. Simplicity is the use of words that are easy to understand and detailed to describe concepts that are difficult to imagine for the reader.

#### 3.4 Comment method

In the article, the commentary method is used to discuss, comment and evaluate the global supply chain and the impact of the US-China trade war on the global supply chain, this method is objective, honest, express subjective opinions about opinions.

## 4. Analysis of the status of the US-China war to the Global Supply Chain

### 4.1 US-China trade war and its impact on the world

Exports from the US to China account for less than 1% of GDP and 8% of total US exports. Meanwhile, China's exports to the US account for nearly 4% of GDP and 20% of the country's export value. Value added from exports to the US accounts for 3% of China's GDP. Although many American companies are investing in China, if the trade tensions are not resolved, China will suffer a greater direct economic impact than the US. However, in the event that the trade war escalates, the bigger loser could be China. The move to tighten protectionist measures in the "America First" campaign of President Trump can easily lead to the end of trade retaliation, even trigger a global trade war, not a global trade war. merely between the US and China. Still imposing the import tax and its impact on the macroeconomics of the country imposing the import tax suggest that a global trade war, if it occurs, will create a shock and possibly cause GDP growth to fall. of the world will decrease by 1-3 percentage points over the next few years. The tariffs on China, known as the global factory, will affect many subsidiaries that rely on global supply chains and are likely to hurt American companies more than their own. Chinese company that the Trump administration is targeting. Mr. Trump's trade war will increase costs for US industries, potentially threatening the manufacturing jobs Mr. Trump says he wants to protect. And these extra costs eventually fall on the shoulders of American consumers. Not only affecting the world's top two economies, many Asian countries will also be affected by these moves, DBS's analysis report shows that Korea, Malaysia, and Taiwan will be the economies most at risk in Asia because of the US-China trade war. Due to these countries' high trade openness and high involvement in supply chains, Korea's GDP Growth is likely to lose 0.4% in 2020, and this impact will double in 2020.

When analyzing the surplus value of Chinese exports. By country of origin, the Economic Development Organization says that Taiwan is the largest Asian economy involved in these goods, with more than 8% of GDP, followed by Malaysia at 6%. South Korea, Hong Kong, Singapore with about 4-5%, Besides, many other factors also need to be considered, for example, the US and China are economic partners of other countries. However, the economy of the country. countries depend on and services, so they will not suffer much from import duties, the burden will fall on producing countries more.

Globally, according to data from WTP Last year, total merchandise exports increased by 11%, global trade decreased by 0.5%, This will lead to a loss of global growth of 0.1%, inflation also will increase.

Estimating that the trade war could be seriously disrupted, since two-thirds of the goods exchanged between the two countries are in the global value chain, the Institute of International Economics pointed out that nearly two-thirds of the goods the US imports from the US. China comes from foreign invested companies, So the import tax from the US, even if it is aimed at China, will still have an impact on other countries, based on the foreign capital inflows into China, the most influential names are America, Japan, and Korea.

Some other companies think that the US economy will have more influence than China, because American companies



invest in China quite a lot. Besides, the US is also entangled in trade disputes with many other countries. Trade uncertainty could cause banks to worry about their participation in affected industries, which in turn affects prices and credit flows. It can also make companies hesitate to invest. If taxes are pushed down on consumers, consumer confidence and domestic demand will decline. At the top level, volatility in the financial markets affects all of the above.

#### 4.2 Impact of the US-China trade war on Vietnam's economy

In 2017, the proportion of export turnover to China accounted for 16.5% of Vietnam's total export turnover. Meanwhile, this proportion for the US was 19.4%, while the proportion of imports in total import turnover of Vietnam was 19.4%. South with China, is 27% and at 4.3% with the US, So when these two important partners with Vietnam both adjust to increase taxes, trade between these two countries will decrease and affect countries with trade. When dealing with these two countries, specifically, Vietnam's exports to China and used in production for further export will be directly affected in terms of increased costs, on the other hand, Chinese imports into Vietnam capital accounting for a large proportion of total turnover is also affected to Vietnam's economy.

Research by the China economic research program under the Institute of Economics and Policy shows that half of Vietnam's exports to China are raw and semi-processed goods, while re-importing delicate goods, enterprises Businesses operating in Vietnam are also using technology and raw materials from China to serve production, up to 80%. Evidence for this, according to data from the Vietnam Association of Seafood Exporters and Producers, in the first month of this year, China imported pangasius with a value of more than 133 million USD, an increase of nearly 41% over the same period last year. Last year, with this figure, China has surpassed to become the market that imports the most Vietnamese pangasius, it is worth mentioning that while Vietnamese enterprises export raw, the value is not much, the Chinese importers The country buys pangasius to process value-added products at a price many times higher than imports, then exports to other countries, including American and European fish.

The import and export status of Vietnam will not be affected much until the US has not increased the sanctioned goods from China, but to maintain and ensure the import and export situation and economic growth. Vietnam needs to increase the competitiveness of the market to make it more attractive to businesses and investors, including necessary trade remedies to protect the domestic market from threats. Chinese goods flood into our country for consumption but may even hide under other origins, such as made in Vietnam.

If tensions over the trade war continue to persist and escalate between the US and China as well as with other relevant countries, it will delay investment and production activities and slow down the world economic growth, even falling into a recession, If this happens, Vietnam's exports and economic growth will also slow down. However, it does not mean that in the short term, Vietnam's export targets will be affected because the input goods exported from Vietnam to China are in the production chain, but if the sanctions continue Continuing to expand the list, in the long term,

there will be unpredictable shocks to the Vietnamese economy.

#### 5. Governance implications and solutions

It is necessary to research to actively adjust the exchange rate and pay attention to inflation. The pressure on exchange rate fluctuations from geopolitical events will increase rapidly in the near future, especially in the context that the renminbi may continue to depreciate deeply. Inflationary pressure from the outside can be reduced due to the decrease in import prices, however, it is necessary to avoid taking advantage of the decrease in import price index to increase the prices of some essential products due to the great impact on the lives of farmers in this situation. The event that export prices of agricultural products may decrease due to reduced demand and recently, China's reduction of unofficial imports has turned to official quotas.

- It is necessary to actively research on import opportunities to reduce the trade deficit and avoid trade conflicts. Actively negotiate to resolve disagreements on trade deficit, foreign exchange reserves and exchange rate to avoid the US putting on the monitoring list of currency manipulators.
- Better prepare conditions to receive the wave of high-quality investment and investment in supporting industries in the event of a shift from China. Continue to improve and upgrade infrastructure, especially logistics infrastructure to reduce investment costs and transportation costs.
- Research to take advantage of opportunities as well as challenges to improve the current supply chain of Vietnam. Vietnam is expected to benefit greatly from trade and investment, however these benefits are short-term. The long-term bottleneck is still to improve the supply chain to increase export value, take advantage of opportunities from FTAs as well as bring higher value to domestic enterprises.
- Review and improve the legal framework on environment. Because the investment boom can easily lead to environmental overload, it is necessary to continue to improve and improve the effectiveness of environmental and social regulatory documents of FDI investment in Vietnam. This is currently the most effective tool to regulate FDI attraction in the context that other opportunities are limited due to commitments in FTA agreements.
- It is necessary to be cautious, flexible and wise in foreign affairs, on the basis of overall interests under the motto of avoiding being caught up in the "whirlpool" of a trade war. Ensure unity and synchronization in promoting relations as well as in dealings with the US and China in terms of economy and trade, deepening cooperation relations and finding appropriate solutions to handle problems in bilateral relations. economic system with partners.
- Promote the monitoring of import and export situation with trading partners to warn of the risk of trade remedy lawsuits, evade trade remedies, help businesses proactively prevent and respond to trade remedies. deal with trade remedy lawsuits, towards sustainable exports. Closely monitor the trend of importing goods from key markets. Strengthen control of cooperation, production and processing of goods for Chinese enterprises to avoid frauds on origin of goods, tax

evasion, affecting domestic production and possibly leading to Vietnam subject to trade sanctions. Tighten management for items with tax evasion risks. Strengthening recommendations for businesses not to assist in the transshipment of goods to Vietnam, and at the same time well manage the storage of documents on the origin and origin of raw materials and products.

- Need to be careful in attracting FDI, carefully verifying projects with signs of origin fraud, taking advantage of Vietnam to transship goods through investment channels. In the long term, it is necessary to renew the mindset to attract FDI, promote multilateralization and market diversification. Strengthen investment promotion in some markets with source technology and large technology corporations that are planning to shift production. Review and soon have technical barriers, high standards and regulations on security - defense, technology and environment to limit low-quality investment capital flows.

Making good use of the large Vietnamese market: with nearly 100 million middle-income consumers, it is an attractive market and will be interested by many countries.

- Constantly fighting to preserve and develop its export markets. In the immediate future, the direct impact of the above war is the difficulties introduced by the US government to prevent the export of steel, aluminum, and catfish to this market. To avoid falling into an awkward and dangerous situation for national sovereignty, the best way is not to take sides, that is, to keep the position of "economic neutrality".
- To maximize the multilateralization of economic relations, in addition to signing the CPTPP agreement is a very good step, but we need to go further to add markets that no longer exist. On the other hand, we must prevent domination, in any form by a country or economic bloc, on the Vietnamese economy.
- Limited to the point of not being able to influence economic and trade relations with current countries and economic blocks.
- Develop many scenarios as well as projects of necessary measures to ensure the economy continues to develop.
- Must be very wary of the possibility that goods can be passed through Vietnam, exported through the Vietnamese market to export to high taxed markets to avoid taxes. Must protect and prevent commercial fraud.
- Apply modern science and technology, invest in digital solutions - AI to support supply processing.
- Strengthen forecasting and analysis of risk factors, including risks from geopolitical crises, natural disasters - epidemics.

## 6. Conclusion, limitations and further research

The Covid-19 pandemic has severely affected the world's trade and investment activities. Countries have to close, cities are under blockade, economic production facilities are closed, workers are isolated at home, transportation is limited, airports are closed. The impact caused almost all economic activities to be severely negatively affected. The Covid-19 epidemic made the world realize the risks of depending on China alone as the main factory of the world economy. After the country's economy was closed to control

the epidemic, the supply chains of multinational corporations had to stop working, causing workers in many countries in the value chain to lose their jobs.

Therefore, global value chains are and will be significantly adjusted, many production activities of value chains will be moved out of China to limit risks. In addition to considering returning home, US companies may prioritize moving operations to Mexico and India, EU companies will prioritize moving to the Middle East and Africa, while US companies will prioritize moving to the Middle East and Africa. Japan, South Korea may shift operations from China to other Southeast Asian countries. Even Chinese companies will invest more abroad to diversify their operations and supply chains.

The US-China trade war with retaliatory measures between the two sides is increasingly serious and drastic. After mutual retaliation and climax, these two countries reached a number of phase 1 trade agreements on January 15, 2020.

Accordingly, the US will remove some US tariffs on Chinese goods, and China has pledged to buy US\$200 billion in grain, pork, aircraft, industrial equipment and other goods. in the next two years. The US also demanded that China further open up its financial markets and protect US technology and brands, and set up a forum for the two sides to debate their differences.

However, the agreement does not address the subsidies that the Chinese government gives to domestic industries and its tight control over key economic levers, which are the root cause of the crisis. US-China Trade War. The agreement still retains most of the tariffs that Trump imposed on \$360 billion of Chinese goods. Addressing the root issue may take a long time, so the prospect of a phase two US-China deal is still unknown, which can be restarted after the end of the presidential election. President of the United States of America in 2020.

According to an assessment by Capital Economist, China is considered to have suffered more than the US in this confrontation, the reason being that international trade is more important to China than to the US. Merchandise exports from the US to China account for less than 1% of GDP and 8% of total US exports. Meanwhile, China's exports to the US account for nearly 4% of GDP and 20% of this country's exports. Value added from exports to the US accounts for 3% of China's GDP.

In addition, while the US economy is in a relatively good growth period, China's economy has shown signs of weakness, entering a period of low growth after a period of continuous high growth.

The US-China trade war is actually a confrontation between one party holding the hegemony position and the other party wanting to usurp it. The United States wants to contain China's rapid rise in economic, technological and geopolitical terms.

In addition, other reasons can be mentioned include: ( 1 ) The US wants to reduce the huge trade deficit in economic relations with China; ( 2 ) Prevent piracy and intellectual property, causing great damage to the economy in general and US technology enterprises in particular ; ( 3 ) The US wants to limit China from catching up with the US in terms of technology because the future of the tycoon belongs to the country with advanced technology and leading in technology; ( 4 ) The unique view of the current US president is to be fierce in confronting China and reacting to China's strategy to get rid of the old strategy of "hiding

oneself and waiting for its time".

The Covid-19 epidemic and the rapid development of the industrial revolution 4.0 are expected to bring about significant changes to the world. The way people interact with people, the way businesses operate at a micro level as well as the operation of the economy at a macro and global level have been changing a lot. The pressure of digital transformation is increasing day by day.

Globalization will continue, but the contradiction between globalization and nationalism and trade protectionism will become more acute. The multilateral trading systems and global institutions will have reforms to suit the new context. The trend of redistributing influence to reshape the "zone of influence" from big countries is getting stronger and stronger. The trend of economic and technological confrontation between the US and China is expected to remain tense and unlikely to end in the short term because the race for hegemony cannot end in the short term.

The US will continue to make moves to isolate China regardless of whether President Donald Trump is elected for the next term or not. The trend of shifting investment and production out of China by international corporations may not be massive, but it will become a long-term trend. Shifts and disruptions of global supply chains are and will continue to happen, making international trade activities negatively affected.

The zone of influence under the US Indo-Pacific initiative (IPS) will be in sharp contrast to the zone of influence of China's Belt and Road Initiative (BRI). Non-traditional security issues will continue to take place at regional and global scales, especially water security, food security, and cyber security. These contradictions and trends can lead to many regional instabilities.

However, the ASEAN region will still retain an important role in creating the impetus for the dynamic East Asia region to continue to develop. The Mekong sub-region including Vietnam will have a larger role and attract more attention from stakeholders. Population aging, climate change, urbanization... will have increasing impacts on countries in the region.

The resilience and development of the world economy depends on the speed and slowness of adjustments and the strength or weakness of these trends as well as the compensating capacity of new forms of economic activity such as the field of e-commerce, activities of the digital economy.

In the short term, Vietnam can take advantage of the consequences of the US-China trade war to benefit. However, we need to keep in mind that the core of sustainable business is quality first. In this trade war, Vietnam is not an economy that directly confronts the US, which does not mean that we will not be controlled by the US. We need to prepare coping policies because Vietnam is likely to be in the global vortex.

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