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President Trump and President Xi Agree on Temporary Trade War Truce

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On the sidelines of the G20 Summit in Buenos Aires, Argentina, President Trump and President Xi Jinping of China agreed to effectively pause their trade war and work toward a pact. The agreement appears to be aimed at giving the two leaders some political breathing room after the escalating trade fight has begun to affect both countries' economies. The temporary truce does little to resolve the deep differences between the two nations and is more a political agreement than a substantive one. Both sides immediately positioned the cease-fire as a domestic victory while staking out areas where they would not compromise.

The U.S. emphasized the 90-day window it has set for trade talks, while China made no mention of it. In addition, the White House, which has accused China of "stealing" technology from American companies, stated that President Xi had agreed to "negotiate immediately on forced technology transfer, intellectual property protection, non-tariff barriers and cyber theft." The statement from China stated only that the two countries would "work together to reach a consensus on trade issues," but did not mention intellectual property.

The cease-fire leaves American tariffs in place on \$250 billion in Chinese goods, but it temporarily removes President Trump's threat to increase the tariffs on \$200 billion of those goods starting in January to 25 percent from 10 percent and to impose tariffs on all imports from China.