U.S.–China Trade War Deepens with Steep Tariff Hikes

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The ongoing trade dispute between the United States and China has entered a more confrontational phase, as both nations announced steep hikes in tariffs on each other's imports. In a move aimed at countering long-standing trade imbalances, the U.S. raised duties on a wide range of Chinese goods to 145% in April 2025. The White House cited national security and unfair trading practices as key reasons for the decision.

In swift retaliation, China imposed a 125% tariff on American exports, placing particular emphasis on sensitive sectors including agriculture, semiconductors, and advanced technology.

The tit-for-tat escalation has raised alarms among global markets and major industries that depend on stable trade flows between the world's two largest economies.

President Donald Trump defended the tariff hike, arguing that it is a necessary measure to protect American jobs and reduce reliance on foreign manufacturing. He said the pressure is intended to compel Beijing to adopt fairer trade rules and end alleged intellectual property violations.

The sudden tariff increases have sparked concern among economic analysts, who warn of rising production costs and potential inflation for consumers. Business leaders in both countries have urged restraint, fearing disruptions to supply chains and long-term damage to investor confidence.

Despite rising tensions, there are cautious signs that diplomatic channels remain open. Chinese trade officials indicated a willingness to explore dialogue if constructive proposals are presented by Washington.

Observers suggest that a negotiated settlement remains possible, though fragile, given the high stakes involved. As global markets react to each development, there is widespread hope that both sides will find a path toward de-escalation and sustainable trade cooperation.