

FEATURE

Trade war? What trade war?

Enormity of U.S. Imports from China Revealed In Latest Data

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Policy I analyze export-import data, connecting it to trade policy, life

<https://www.forbes.com/sites/kenroberts/2019/02/25/trade-war-what-trade-war-enormity-of-u-s-imports-from-china-revealed-in-latest-data/#5dc0af631822>



For the first time, one country will have imported one-half trillion dollars in goods from another in 2018 -- the United States from China.

I was afraid this would happen.

President Trump announced over the weekend that he would [extend the March 2 deadline](#) he set for the United States and China to come to terms to end the trade war that began last year with the imposition of tariffs on \$50 billion and then another \$200 billion in U.S. imports. The problem is, this is the second extension. He had done the same thing at the end of the year, extending a Dec. 31 deadline.

In both cases, he had threatened to increase the 10% tariffs on the \$200 billion to 25%, similar to the tariffs on the first \$50 billion.

But, this time, he didn't mention a new deadline. He also didn't specify what progress had been made, though he deemed it substantial. Or when or where a meeting between him and Chinese President Xi Jinping to conclude the trade deal would occur.

Here's what we do know.

U.S. exports to China have fallen four times in the last five months, according to the latest U.S. Census Bureau data. The very opposite has been happening with Chinese imports into the United States. Until November, when they fell, U.S. imports from China had increased seven

months in a row -- right through the escalating trade war.

The [export story](#) is by now all too familiar. I have written about it previously. [Soybean](#) exports off a cliff, [oil](#) exports virtually vanishing, [motor vehicle](#) exports, down sharply.

Then there's imports.

- Imports of computer parts and accessories from China, up 15.24% through November.
- Motor vehicle parts from China, up 15.40% over the same 11-month period the previous year.
- Video-game consoles, 22.94% increase.
- Computer chips, up almost 24%.
- Refrigerators and freezers, up 17.72%.

The other side of the U.S.-China trade War, the other side from U.S. exports of oil, soybeans and motor vehicles tumbling for the second half of 2018 in retaliation for President Trump's tariffs, is rising imports from China. Yet, it's as if someone forgot to tell imports that there was a trade war underway. The wind in the back of this is, of course, is me and you, the American consumer, and American business.

The enormity of Chinese imports into the United States is something to behold.

When the U.S. Census Bureau releases the annual trade statistics on March 6, statistics that were delayed a month by the U.S. government shutdown, the data will show that for the first time ever, anywhere, one country will have imported \$500 billion -- one half trillion dollars-- of products from another country in one year.

There will be no celebration, of course. No clinking of glasses and toast to yet another milestone surpassed in the seven decades since post-World War II leaders, led by the United States, returned to globalization and international trade they had shunned in the decade leading up to the war. Today, what elected leader, in fact, proudly hoists the goblet to globalization and free trade?

In the minds of people unlike me and people like you who read columns like this,

imports don't translate to greater choice, better prices, the creation of jobs than are less menial, more access to better medicines and year-round fruits and vegetables. In the minds of too many people, in the minds of people who support both Trump and Bernie Sanders, imports translate to lost jobs, closed factories, a depleted middle class.

But even people like me and, I am guessing, many people like you who read columns like this, are at the very least skeptical that China plays fair all the time, that it respects intellectual property and allows multinationals to operate freely there without sensitive technology transfers.

What has befuddled President Trump's predecessors is what to do about it. This is not a challenge of his creation. The trade war is, of course, a challenge of his creation.

Which takes us back to the \$500 billion milestone. That number explains why \$250 billion, the largest imposition of tariffs on one country ever, is having virtually no impact on imports.

It turns out, \$250 billion dollars, while greater than total U.S. trade -- exports and imports -- with all but the top three U.S. trade partners, is but half of U.S. imports from China.

When the United States selected the commodities that would be subject to the initial 10% tariff and those that would later be subjected a 25% tariff, the administration skipped over products that might have felt like a poke in the eye with a sharp stick in favor of those it would be less noticed. Like cell phones.

China, meanwhile, picked retaliatory tariffs that would be felt here -- the aforementioned soybeans, for example.

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