

Trump Secures Trade Deal With China to Cut Tariffs and Launch New Era of Economic Talks

The agreement lowers tariffs by 115% while retaining a 10% baseline, suspends recent retaliatory measures, and establishes new trade talks—all while redirecting U.S. focus toward closing a \$295.4 billion trade gap and curbing fentanyl flows.

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U.S. President Donald J. Trump.

WASHINGTON, D.C. — President Donald Trump on Monday announced a new trade agreement between the United States and China, marking what the White House described as a “historic” step toward correcting trade imbalances, supporting American workers, and addressing the ongoing fentanyl crisis.

Coming just days after a separate agreement with the United Kingdom, the White House said Monday's deal represents a continuation of Trump's aggressive economic diplomacy. The agreement follows negotiations held over the weekend in Geneva, Switzerland, where U.S. and Chinese officials met for the first joint statement on trade in years.

Under the new deal, both nations will lower tariffs by 115% and retain an additional 10% baseline tariff, effective May 14, 2025. The agreement is expected to reduce trade tensions and set a framework for future economic collaboration between the two countries.

China will remove the retaliatory tariffs it announced beginning April 4, 2025, and suspend or remove other non-tariff countermeasures imposed since April 2, 2025. It will also pause its initial 34% tariff on the U.S. for 90 days, while retaining a 10% tariff during that pause.

On the U.S. side, the administration will remove tariffs it imposed on China on April 8 and April 9, 2025. However, it will retain all duties imposed before April 2, including:

- Section 301 tariffs
- Section 232 tariffs
- Tariffs tied to the fentanyl national emergency
- Most Favored Nation tariffs

The U.S. will also suspend its own 34% reciprocal tariff from April 2 for 90 days, but maintain a 10% tariff to support American manufacturing and supply chains.

The White House framed the agreement as a major victory for the U.S., saying it reflects Trump's strategy to protect American interests through reciprocal trade policies. "By imposing reciprocal tariffs, President Trump is ensuring our trade policy works for the American economy, addresses our national emergency brought on by our growing and persistent trade deficit, and levels the playing field for American workers and producers," the administration said.

The U.S. goods trade deficit with China reached \$295.4 billion in 2024, the largest with any trading partner. The new agreement, according to the White House, is designed to begin addressing that imbalance and "deliver real, lasting benefits to American workers, farmers, and businesses."

Beyond tariffs and trade, the deal includes a joint commitment from both nations to take aggressive action against the flow of fentanyl and chemical precursors from China to illicit drug producers in North America. The White House did not disclose further details but framed this as a critical aspect of the agreement.

The agreement establishes a mechanism for continued discussions on trade and economics between the U.S. and China. Key representatives for this dialogue will include:

- He Lifeng, Vice Premier of the State Council of China
- Scott Bessent, United States Secretary of the Treasury
- Jamieson Greer, United States Trade Representative

According to the administration, these structured talks are intended to ensure transparency, resolve disputes, and maintain accountability as both nations move forward with the agreement.

The Trump administration characterized the deal as a break from previous trade frameworks that it said enabled the offshoring of American jobs and the decline of domestic manufacturing. "For too long, unfair trade practices and America's massive trade deficit with China have fueled the offshoring of American jobs and the decline of our manufacturing sector," the statement read.

Critics of the agreement have yet to weigh in in full, though some analysts may question whether the promised tariff cuts andentanyl cooperation can be effectively enforced.

President Trump described the agreement as "a win for the United States," and used his Truth Social platform to emphasize the scale of the pricing disparity. "For many years the World has wondered why Prescription Drugs and Pharmaceuticals in the United States of America were SO MUCH HIGHER IN PRICE THAN THEY WERE IN ANY OTHER NATION, SOMETIMES BEING FIVE TO TEN TIMES MORE EXPENSIVE," he wrote, tying the deal to his broader agenda of trade fairness.

"This trade deal is a win for the United States," the White House reiterated, calling it a demonstration of "President Trump's unparalleled expertise in securing deals that benefit the American people.