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CONTEXT OF THE STRUGGLE FOR GLOBAL LEADERSHIP**

The developing crisis in trade and economic relations between the US and China, which has taken the form of a trade war between the two countries, may have hardly predictable consequences for both countries and the entire global economy. This is due to both the scale of the economies of the United States and China (the first and second largest in the world by GDP - respectively, USD 20.5 and 13.4 trillion at the current exchange rate according to the International Monetary Fund) and their role in world trade.

It has been determined that over the past almost 20 years of active economic cooperation, the US view of China has evolved significantly - from perceiving it as a close and one of the leading economic partners to perceiving it as a major economic competitor and even as a major strategic threat. This is explicitly stated in the US National Security Strategy.

It is determined that foreign economic relations between the United States and China have entered a new stage, which is significantly different from the previous almost twenty-year period of active interaction and growing interdependence. As China becomes stronger, the factor of increased competition is becoming predominant in these relations. The role of the scientific and technological component is becoming decisive. Most important in this situation is the fact that the globalisation of the world economy, driven by scientific and technological progress, including the close intertwining of the US and Chinese economies, is in conflict with the national interests of both countries, which are seeking to strengthen their positions and role in the world economy.

In general, foreign economic relations between the United States and China in the twenty-first century can be described as very ambiguous and controversial. The countries have come a long way from open conflict to relatively stable political and economic cooperation. The United States, seeking to maintain its status as the most influential country in the world, is hindering the development of those countries that could compete with it, as well as certain projects that could significantly accelerate the progress of competing countries. The implementation of China's One Belt, One Road strategy will be in a difficult position if the United States obstructs it. There is no doubt that this initiative has a significant impact on current relations.

*Key words:* international economic relations, trade wars, export, import, global economy, economic competitor, competitive leadership, globalization.

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## МІЖНАРОДНІ ЕКОНОМІЧНІ ВІДНОСИНИ КИТАЮ ТА США В КОНТЕКСТІ БОРОТЬБИ ЗА ГЛОБАЛЬНЕ ЛІДЕРСТВО

Криза, що розвивається, в торговельно-економічних стосунках між США і Китаєм, яка набула форми торгової війни між двома країнами, може мати важко передбачувані наслідки як для обох держав, так і для всієї світової економіки. Це обумовлено як масштабами економік США і Китаю (перше і друге місця за ВВП у світі - відповідно до 20,5 і 13,4 трлн. дол. по поточному курсу за оцінкою Міжнародного валютного фонду, так і їх роллю у світовій торгівлі.

Визначено, що за минулі майже 20 років активної економічної взаємодії погляд США на Китай помітно еволюціонував - від сприйняття його в якості близького і одного з провідних економічних партнерів до сприйняття в якості головного економічного конкурента і навіть як головну стратегічну загрозу. Про це прямо сказано в Стратегії національної безпеки США.

Визначено, що зовнішньоекономічні відносини між США і Китаєм вступили в новий етап, що істотно відрізняється від попереднього майже двадцятирічного періоду активної взаємодії і зростаючої взаємозалежності. У міру зміцнення Китаю чинник посилення конкуренції стає в цих стосунках переважаючим. У ньому визначальною стає роль науково-технічного компонента. Найбільш важливим в цій ситуації стає та обставина, що обумовлена науково-технічним прогресом глобалізації світової економіки, у тому числі і досить тісне переплетення економік США і Китаю, вступає в протиріччя з національними інтересами обох країн, прагнучими зміцнити свої позиції і роль у світовій економіці.

В цілому зовнішньоекономічні відносини, що склалися між США і Китаєм в XXI столітті, можна охарактеризувати як дуже неоднозначні і суперечливі. Країни пройшли довгий шлях від відкритого конфлікту до відносно стабільної політичної та економічної співпраці. США, прагнучі зберегти за собою статус найвпливовішої країни у світі, перешкоджають розвитку тих країн, які можуть скласти їм конкуренцію, а також окремих проєктів, які можуть істотно прискорити прогрес країн-конкурентів. Реалізація стратегії Китаю «Один пояс, один шлях» знаходитиметься у скрутному становищі, якщо США будуть йому перешкоджати. Поза сумнівом, що ця ініціатива значно впливає на сучасні китайсько-американські стосунки.

*Ключові слова:* міжнародні економічні відносини, торговельні війни, експорт, імпорт, глобальна економіка, економічний конкурент, конкурентне лідерство, глобалізація.

16 джерел.

**The problem of the research.** The developing crisis in trade and economic relations between the US and China, which has taken the form of a trade war between the two countries, may have hardly predictable consequences for both countries and the entire global economy. This is due to both the size of the US and Chinese economies (the first and second largest in the world by GDP, respectively, at USD 20.5 trillion and USD 13.4 trillion at the current exchange rate, according to the International Monetary Fund) and their role in global trade. At the same

time, both countries were each other's largest trading partners. The escalation of mutual claims initiated by the Trump administration in 2017 has resulted in a war of tariffs and sanctions, and is already having a negative impact on the economies of these countries.

**The analysis of recent publications.** The topic of the research is really actual today. There are many publications devoted to the analysis of international economic relations between China and USA but there are some issues that need the deeper analysis. The information base of the research is based on papers of such authors: Fajgelbaum P., Khandelwal A. [1], Denyer S. [3], Huang Y. [5], Biswal N. [7], Hass R., Denmark A. [8], Khan R., Mehmood Z. H. [9], Well A. [12], Amadeo K. [11], Browne R. [15] and others presented in references.

**The aim of the research** is to analyze prerequisites of the developments of international economic relations between China and the USA to try to make a forecast what country will become a global leader in the long-run perspective.

**The main material.** After China joined the WTO in 2001, the volume of US trade with China grew from \$125 billion to more than \$700 billion in 2018. China was the largest trading partner of the United States - in terms of US exports (\$120 billion), China was in 3rd place among other countries (behind Canada and Mexico), and in terms of imports (\$540 billion), China was in 1st place. China has become one of the largest foreign creditors of the US state - as a holder of US Treasury bonds worth USD 1.1 trillion, it ranks 1st in the world.

However, over the past almost 20 years of active economic cooperation, the US view of China has evolved significantly - from being perceived as a close and leading economic partner to being perceived as a major economic competitor and even as a major strategic threat.

This is explicitly stated in the US National Security Strategy, which states that "China and Russia pose major challenges to the American nation, influence, and interests of the United States, seeking to undermine America's security and prosperity". The strategy calls for a review of the policy of the past two decades towards China, noting that policies aimed at creating a partnership based on trust have failed.

However, it is important to note the significant benefits that the United States has gained as a result of developing economic cooperation with China. For example, between 1995 and 2001, US exports to China contributed to the creation of 1.8 million jobs in the US, mainly in services, agriculture and equipment manufacturing. Over the next 15 years, an estimated 1.5 million more jobs were supported by exports to China. American consumers also benefited from mutual trade. Between 2000 and 2007 alone, imports of cheap consumer goods from China totalled USD 202 billion, which ultimately resulted in a gain of USD 101,200 for every job lost in the manufacturing industry.

Indeed, job losses in the US manufacturing industry were significant. Between 1999 and 2011, they totalled 560,000, and if related industries are taken into account, they were even higher - 2 million jobs. However, if we take into account the structure of goods imported from China to the US, these estimates are clearly exaggerated in terms of added value. For example, in each iPhone imported from China to the US, the share of value created in China is only 3.6%. The rest was created in the US in the form of a software product. Only the final assembly of the phones is done in China [1].

Based on these calculations, all US imports from China should be reduced by about 32%. It can be argued that the initial negative effect of interaction with China in terms of the impact on jobs in the country has already ended, and the current stage of economic relations is shifting to high-tech competition. It is worth noting that since 2010, the US has not seen a significant transfer of jobs abroad - on the contrary, 1.2 million new jobs have been created in the manufacturing industry over the past 8 years.

One of the central issues of the US foreign economic relations with China for the US administration is the trade deficit. Indeed, the US trade deficit with China grew from USD 81 billion in 2001 to USD 336 billion in 2017, accounting for 60% of the US trade deficit.

However, according to some experts, the US trade deficit with China should be viewed in the context of the overall trade deficit, which is not so much a result of restrictions on US exports

as a reflection of the low savings rate in the US. This, in turn, requires foreign capital inflows to finance domestic investment needs and public debt. Attempts to reduce the deficit without addressing the gap between savings and investment are unlikely to change the trade balance.

In fact, the evidence suggests that the view of the trade deficit as a source of unambiguous losses for the economy is not true. All the years of the two thousandth century, during periods of steady growth and rising employment in the United States, the trade deficit increased. At the same time, the deficit was reduced during periods of recession and rising unemployment.

Speaking about the US trade balance with China, it is important to note another circumstance that is hardly taken into account by formal statistics. For example, if we take into account the activities of affiliated US and Chinese companies in each other's markets, we can see a much more balanced picture of bilateral economic relations between the countries. In this case, if we take into account US investments and sales of US goods through affiliated companies, the US role in China's economy looks more extensive than official statistics suggest. On the contrary, Chinese business in the US market is represented mainly by direct exports from China. Taking the above into account, it turns out, contrary to official customs statistics, that the US sells more to China than China formally buys from the US.

Thus, according to the calculations made by experts from the Brookings Institution and the American Enterprise Institute, the total sales of US companies to China, including direct exports (\$228 billion) and sales of affiliated US companies in China (\$574 billion), amounted to \$802 billion in 2016. China's sales to the US, including direct exports (\$523 billion) and sales of affiliated Chinese companies in the US (\$45 billion), amounted to \$568 billion. A comparison of the exports of the two countries using this approach shows that the United States had a trade surplus with China. The difference is that 92% of Chinese exports were direct deliveries from China to the US, while for the US, 71% of exports were sales to China through affiliated companies. Thus, the question of trade balance takes on a new dimension.

If we summarise the benefits that the US derives from trade and economic relations with China, they look like this. China is one of the largest importers of US goods and services, accounting for more than 7% of all US exports and 0.6% of US GDP. Although the US has lost more than 2 million jobs as a result of the relocation of a number of businesses to China, US high-tech exports to China, which totalled more than \$7 billion in 2015, have led to the creation of new jobs in the high-tech sector of the economy. Trade between the US and China supports approximately 2.6 million jobs in various US industries, including Chinese companies in America [1].

As China has become an integral part of the global production chain system, most of China's exports consist of components made abroad and originally shipped to China. If the value of these imported components is deducted from the value of Chinese exports, it turns out that the US trade deficit with China needs to be reduced by a factor of 2, to 2% of GDP, i.e. to the level of the US trade deficit with the European Union.

Ranked only 11th among American partners in 2000, by the end of the 2nd decade China had become the 3rd largest buyer of American goods and services. If we sum up the economic benefits of American investments in China and Chinese investments in the United States, we will be talking about 2.6 million jobs and a value of more than \$200 billion.

The supply of Chinese industrial goods to the United States at relatively low prices restrains inflation in the country, reducing it by 1-1.5% per annum. For the average American household, this results in savings of about USD 1 thousand per year.

According to experts from the Oxford Economics consulting firm, labour productivity in the US manufacturing industry grew significantly faster in the 2000s than in other developed countries. For example, the average annual growth rate of labour productivity in the US manufacturing industry was estimated at 2.5%, which amounted to 40% growth over the period from 2003 to 2016, compared to, for example, Germany, where productivity grew by only 23%. At the same time, the rapid growth of Chinese workers' wages makes them less competitive than

American workers. At the same time, American enterprises are still 90% more productive than similar Chinese ones. These trends may lead to an increased tendency for a number of companies to return to the US, i. e. to a certain recovery in employment in their manufacturing industry.

Despite the undoubted benefits of the US economic cooperation with China, we can note the growing contradictions in a number of areas of bilateral cooperation. The official list of US claims against China is as follows.

China should stop demanding that American companies operating in the country transfer their technology to Chinese partners. That is, the inflow of American investment should not be conditional on the transfer of the latest American technology to China. In addition, there should be no restrictions on the terms of licensing by US companies of their technologies in China. It is necessary to:

- End the practice of requiring American companies trading with China to register their business in China as joint ventures;

- stop industrial espionage against US companies, stop unauthorised cyber intrusions into US companies to obtain information about new technologies;

- stop subsidising national Chinese companies operating in high-tech sectors of the economy, as this gives them unjustified advantages over foreign partners;

- reduce barriers to US agricultural exports;

- reduce the large US trade deficit in bilateral trade;

- stop manipulating the exchange rate of the national currency, the yuan, which gives China an advantage in foreign trade.

One of the main concerns of the US administration is the trade deficit. Thus, the deficit in trade in goods with China in 2018 amounted to USD 419 billion (in 2017, it was USD 376 billion). This is the largest trade deficit that the United States has among all other foreign economic counterparties. Many American economists, primarily those responsible for the US foreign trade strategy, believe that this deficit is the result of unfair trade policies and practices on the part of China.

Others, however, believe that official data on the trade deficit with China creates a distorted picture of bilateral relations, as it does not take into account indirect shipments of goods by US multinationals. Traditional trade statistics also do not fully reflect the value added created in each country and how it participates in foreign trade.

Another area of controversy is intellectual property rights and competitiveness. This problem is considered by the US to be one of the main obstacles to doing business with China. In 2013, a study conducted by the US Intellectual Property Commission stated that China accounted for 80% (\$240 billion) of all losses as a result of intellectual property theft. The US Customs Service noted that China and Hong Kong account for 78% of all counterfeit goods confiscated at the US border.

According to FBI Director Wray, "no country in the world poses such a threat to our ideas, our innovations, and our economic security as China". In December 2018, US Deputy Attorney General J. Demers noted that between 2011 and 2018, China accounted for 90% of all investigations into industrial espionage and 66% of trade secret thefts. This problem is constantly discussed by representatives of the United States and China, including at the highest level, but, according to the US administration, no progress has been made in resolving these contradictions. The issue of China's violation of intellectual property rights is the subject of ongoing discussions in the area of trade between the US and China. Investigations in this area, as well as into forced technology transfers and the use of industrial policy, have led to the introduction of a 25% duty on goods from China worth \$250bn. China retaliated by raising duties on US goods from 5 to 25% to the tune of USD 110 billion.

The fact that China, in the US view, has not fully transitioned to market relations is also a source of controversy in bilateral relations. The US administration believes that the Chinese government's industrial policy, through the benefits granted to Chinese companies, creates unjustified advantages for them in their dealings with US counterparts.

The growing volume of direct investment from China is a cause for concern in the United States. However, according to official data, these volumes are small. Thus, according to the US Bureau of Economic Analysis, the accumulated volume of direct investment from China (FDI) amounted to USD 40 billion by the end of 2017, while the volume of direct US investment in China was USD 108 billion. Some experts, however, believe that there is a significant underestimation of the real volume of FDI, as it often comes not directly from the US or China, but from other countries.

Another area of trade disagreement that became an important catalyst for the trade war that erupted between the US and China was the supply of steel and aluminium to the US. Relying on Section 232 of the Trade Expansion Act of 1962, which refers to the possible impact of imports on US national security, in March 2018, President Trump announced an increase in import tariffs on steel (by 25%) and aluminium (by 10%). In response, in April 2018, China increased duties on products imported from the United States by \$3 billion.

As a result of these reciprocal sanctions, in the first 3 months of 2019 alone, the volume of bilateral trade between China and the United States fell by 15%. Since no progress has been made in the negotiations, in May 2019, D. Trump announced his intention to raise duties on Chinese goods worth \$300 billion by 25%.

China's participation in international high-tech value chains - in the information technology, communications, and telecommunications equipment industries, where China is the world's largest manufacturer and supplier - is considered an increasingly serious challenge for the United States. Thus, in 2018, the volume of US imports of information and communication equipment from China was \$157 billion, which accounted for 60% of all US imports of this equipment. In this regard, President D. Trump declared a state of emergency in this area and imposed sanctions on one of the largest Chinese telecommunications companies, Huawei, and eight of its contractors.

Of course, the United States is clearly interested in China's compliance with all its demands. In practice, this is quite difficult, especially since many of them contradict each other. Thus, if China, for example, meets the US demands to stop mandatory technology transfers, create joint ventures, and limit borrowing of intellectual property, it will stimulate outsourcing from the US on an even larger scale, which contradicts D. Trump's call to bring jobs back home. D. Trump's goal of reducing the trade deficit with China by increasing US exports implies increased cooperation with China and thus contradicts another strategic objective - to limit China's scientific and technological progress.

It is likely that D. Trump deliberately made excessive demands on China, following the tactic of first raising the stakes, then, depending on the circumstances, conceding and, in the end, winning. Of course, the American leader thinks not only in economic and strategic terms when he goes for a trade and political confrontation with China.

All of the above suggests that foreign economic relations between the United States and China have entered a new stage, which is significantly different from the previous almost twenty-year period of active interaction and growing interdependence. As China grows stronger, the factor of increased competition is becoming predominant in these relations. The role of the scientific and technological component is becoming decisive. Most important in this situation is the fact that the globalisation of the world economy, driven by scientific and technological progress, including the close intertwining of the US and Chinese economies, is in conflict with the national interests of both countries, which are seeking to strengthen their positions and role in the world economy [1].

In general, foreign economic relations between the United States and China in the 21st century can be described as very ambiguous and controversial. The countries have come a long way from open conflict to relatively stable political and economic cooperation. The United States, seeking to maintain its status as the most influential country in the world, is hindering the development of those countries that could compete with it, as well as certain projects that could significantly accelerate the progress of competing countries. The implementation of China's One

Belt, One Road strategy will be in a difficult position if the United States obstructs it. There is no doubt that this initiative has a significant impact on current Sino-US relations.

Visiting the official website of the US State Department and searching for the keywords "China", we can see that the US pays no less attention to China than to other developed countries. It is even more accurate to say that the US pays even more attention to China than to other countries. A search for the keywords "One Belt, One Road" and "Silk Road" yielded 138 and 44 results, respectively. Of course, not all of the results match the keywords, but since almost all of the search results are concentrated in the three years from 2017 to 2019, it cannot be said that the frequency of appearance is low in the official conversations of US politicians.

Reading this literature, one can see that the United States perceives the Belt and Road Initiative as one of the important factors in assessing the investment climate in the countries participating in this project. In analysing the investment climate of Tajikistan and Azerbaijan, American analysts take into account the Belt and Road Initiative. This means that the United States recognises the role of the project in promoting the development of the respective countries. However, American analyses of the Belt and Road Initiative always contain negative characteristics, such as "corruption," "opacity," "plagiarism," and "debt trap [2]. In the near future, the "One Belt, One Road" project will become an important factor influencing the development of foreign economic relations between China and the United States, which may lead to new points of growth in cooperation between China and the United States, as well as to deepening and complicating geopolitical competition between the two sides. The question of how to create a healthy interaction between China and the United States within the framework of the Belt and Road Initiative is becoming relevant.

In recent years, Chinese diplomacy has become increasingly proactive, including by putting forward a number of new ideas and initiatives, such as the Belt and Road Initiative. And while the United States is seeking to return to the Asia-Pacific, China is proposing the slogan "through partnership in the Asia-Pacific, to global cooperation". Aware of this, the US political community will undoubtedly be inclined to consider and respond to China's foreign economic policy (including by promoting the construction of the One Belt, One Road) in the context of strategic competition between the two countries.

At the initial stages of the project, the reaction of the B. Obama's administration's response to the Belt and Road Initiative was generally stable, although it did not indicate the United States' interest in participating. However, the US attitude changed after China established the Asian Investment Bank (AIB). Given the importance of financial capital in the Belt and Road Initiative, China proposed the establishment of the Asian Investment Bank (AIIB) and subsequently actively promoted it, hoping that more countries would participate. At the beginning of the preparation of the Asian Investment Bank in 2014, more than 20 countries in Asia, the Middle East and Africa decided to join it. The Obama administration has expressed concern over this, arguing that China is threatening the US leadership in the financial sector. One of the reasons for opposition to the Asian Investment Bank is the US fear that China will use the bank as a "tool to implement its own will" [1].

US Treasury Secretary Jack Lew said that the United States is concerned that the AIIB will not operate in accordance with the highest standards, and also expressed doubts about the AIIB's credit guidelines and called on those countries that planned to join the AIIB to consider these provisions as well [3]. A senior representative of the US State Department said at a press conference on 7 November 2014: "The U.S. is often accused of opposing the AIIB. The correct view of the U.S. position is that we welcome additional resources for infrastructure investment in the Asia-Pacific region, and we are very interested, but we hope that the new organisation will not lower standards, but build on existing high standards and best practices that have been proven over the years [4].

Although B. Obama expressed doubts about the AIIB, he did not actively oppose its creation. Later, B. Obama decided to improve relations with China on this issue. President Obama also said at a press conference: "I want to clear up the misconception that the United

States is opposed to other countries joining the Asian Investment Bank... In these discussions around the Asian Bank and its infrastructure, we are simply making sure that it operates in accordance with best practices and established standards." [6].

Assistant Secretary of State Nisha Biswal noted that all Central Asian countries, including China, can play an active role in regional building. This is a non-zero-sum game. The United States hopes that new multilateral mechanisms, such as the Asian Investment Bank, will be created to help compensate for the region's lack of development, as long as it adheres to international rules [7].

Deputy Secretary of State Anthony J. Blinken said in a speech at the Brookings Institution: "The United States is also pleased with the AIIB's activities and infrastructure investments that are lacking in Asia, and we have no objections." It was also stated that "in terms of energy and infrastructure development in Central Asia, China and the United States have common interests" [10].

In general, during B. Obama's presidency, the United States did not directly engage with the Belt and Road Initiative for two main reasons:

Fears that the AIIB threatens the US-led World Bank and IMF;

due to the erroneous judgement that this project is a Chinese version of the "Marshall Plan", the implementation of which could threaten US influence in the Pacific region.

Thus, since B. Obama took office, Sino-US relations have been characterised by a changing nature. On the one hand, the United States did not seek a sharp foreign economic confrontation with China. On the other hand, China's serious economic success in the field of economic development made Washington feel concerned about the threat of China becoming the world's economic hegemon.

President D. Trump, who came to power in 2017, adhering to the concept of "America First", wanted to completely rebuild the US domestic diplomacy. In April 2017, during his visit to the United States and meeting with President Trump, President Xi Jinping said that China welcomed the United States' participation in the One Belt, One Road initiative.

At the beginning of his tenure, he was very positive about the Belt and Road Initiative. D. Trump sent a delegation led by Pottinger to participate in the Belt and Road Summit, where the United States supported China's efforts to strengthen international economic ties.

In June 2017, after the first round of the US-China International Security Dialogue, President Trump met with State Councilor Yang Jiechi and said that the US side was ready to cooperate with the Chinese side on the Belt and Road project. President Trump then paid a state visit to China on 8-10 November 2017. During his visit to China, 34 cooperation projects were signed between companies of the two countries worth USD 253.4 billion. It seemed that everything was going in a productive direction, but Trump, under the banner of "American primacy," could not help but come into conflict with the Chinese initiative "One Belt, One Road."

In November 2017, while visiting Japan, D. Trump delivered a speech to American officers and the Japanese Self-Defence Forces. During the talks between D. Trump and Japanese Prime Minister Shinzo Abe, both sides expressed concern about China's increased activity in the Indo-Pacific region. The two sides discussed the new American idea of a "Free and Open Indo-Pacific Strategy" aimed at deepening cooperation between Japan, the United States, Australia and India. The main goal of this strategy was to overcome the influence of Chinese projects, including the One Belt, One Road strategy [12].

On 18 December 2017, the latest US National Security Strategy was unveiled. It proclaimed a new era of competition between great powers, as well as the desire to increase US influence in the world. The strategy stated: "In the Indo-Pacific region, China promoted its model of economic development, changed the regional order, outlined its sphere of influence and tried to replace the US position in the region" [13].

Attention was focused on China's growing influence in developing countries and competition with the United States. Realising that the Belt and Road Initiative would have a



greater impact in the Indo-Pacific, the United States was increasingly concerned about its position and interests in the region. The Trump administration believed that the Indian and Pacific Oceans were a very important topic in US foreign policy, as this region is one of the largest drivers of the global economy in the future.

By the beginning of 2018, the Trump administration's attitude to the Belt and Road Initiative had changed significantly: the previous positive views had turned into systemic criticism. The United States no longer considered this project from both a prospective cooperation and commercial perspective. "One Belt, One Road" was assessed in the context of strategic and geo-economic competition between China and the United States. From that moment on, economic, trade and political contradictions between the two countries became more visible. The United States began to constantly look for reasons to increase tariffs on Chinese exports, which eventually led to the outbreak of a large-scale trade war.

With the outbreak of the trade war, the Trump administration's pressure on the Belt and Road Initiative has increased even more. Acting US Secretary of Defence Patrick Shanahan said in March 2019 that China's One Belt, One Road initiative was a serious problem for the United States. "China is trying to create an international coercive network through a predatory economy to expand its sphere of influence. We have provided another option for the implementation of the Belt and Road. Starting with the Indo-Pacific region, we will develop many 'belts' and many 'roads', developing those that strengthen partnerships." [14].

In response to the threat to the Belt and Road Initiative, the US Department of Defence has proposed further expansion and strengthening of the Indo-Pacific Alliance. Joseph Dunford, Chairman of the Joint Chiefs of Staff of the US Army, directly stated that "the greatest threat to the United States in the future will be China" [15].

In 2019, the United States refused to take part in the Belt and Road Summit.

Unlike Washington, Beijing is taking a constructive stance. The Chinese government is proposing to establish a new type of relationship with the United States and is ready to help reduce tensions and competition between the great powers and newly emerging countries.

Chinese Foreign Minister Wang Yi believes that China and the United States are very complementary, and both sides should strive to find a starting point for Sino-US rapprochement to stimulate the potential and space for bilateral cooperation.

In one of his speeches, Wang Yi stated: "China and the United States are not enemies. If we cooperate, we can indeed achieve many great goals and make great progress. On the one hand, the two sides should strengthen comprehensive cooperation, which will bring more positive opportunities to China and the United States and make new contributions to peace and development around the world. On the other hand, the two sides should appropriately resolve differences and sensitive issues on the basis of mutual respect and continuously remove obstacles that hinder the development of bilateral relations. Nowadays, it is especially necessary for both sides to strengthen dialogue and communication in order to avoid new negative trends in these relations." [16].

The White House is now openly rejecting the Belt and Road Initiative. Analysing the materials on the official website of the US State Department dedicated to the Chinese initiative, a negative and cautious attitude becomes apparent. Despite the fact that leading American economists and political scientists believe that a trade war with China is futile, this, unfortunately, does not change the government's decision. The US is taking active steps to prevent interested countries from participating in the One Belt, One Road project. The United States still has serious potential, both in terms of military resources and mechanisms for using soft power. Numerous and well-prepared American media and online resources help to popularise the White House's views around the world. As a result, most countries listen to and trust American propaganda, but do not always hear China's point of view.

**Conclusions.** China is working hard to promote the Belt and Road Initiative and intends to develop the project further. In this regard, at the current stage, it is extremely important for the Chinese political system to strengthen its ability to influence international public opinion.

Beijing needs to be able to effectively shape the image of a leading state that wants peaceful development and seeks to develop cooperation with neighbouring countries. The perception of the One Belt, One Road project by the American political establishment should be carefully studied to minimise the possibility of deterring it. This will help limit the pressure on global public opinion exerted by the United States and allow China to significantly strengthen its international credibility, including in the context of the successful implementation of the Belt and Road Inclusive Globalisation strategy.

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