***Original Research Article***

**The Future of US Trade Policies: Balancing Domestic Growth and Global Competitiveness**

# Abstract

The main objective of this study is to analyze the future trajectory of U.S. trade policies with a focus on achieving a balance between domestic economic growth and global competitiveness. The specific objectives were to: examine the impact of shifts in United States' trade policies and tariffs on the United States' trade relationships with China and other key trading partners; analyze how changes in United States' trade policies and tariffs influence the United States' global economic position; propose solutions and strategies to mitigate the negative effects of United States' trade policy changes while enhancing the United States' global economic competitiveness. This study adopted a survey research design on a sample size of 100 respondents, purposively selected for their expertise and direct involvement in matters related to U.S. trade policy and global economic competitiveness. Primary data were collected using a structured questionnaire. The data were analyzed using frequency analysis and mean point analysis, which revealed that: shifts in U.S. trade policies, particularly the imposition of tariffs, have had a noticeable impact on trade volume, trade tensions, and business behavior, with the highest agreement on the uncertainty created for global trading partners, especially China; changes in U.S. trade policies, particularly those involving tariffs and protectionist measures, have had a negative impact on the U.S.'s global economic position, since these policies have weakened the U.S.'s standing, resulted in a loss of competitive advantage, and contributed to higher consumer prices that undermine economic competitiveness; multilateral trade agreements and strengthening the domestic supply chain are perceived as the most effective solutions to mitigate the challenges of shifting trade policies while enhancing U.S. global competitiveness, while innovation and balanced trade policies also receive substantial support. The study recommends that the US should pursue a strategy of diplomatic engagement with China, focusing on mutual interests such as climate change and technology collaboration, while negotiating for greater market access, intellectual property protections, and fairer trade practices.

Keywords: US Trade Policies, Global Competitiveness of the US, US Tariffs

# 1.0 Introduction

The global economy is experiencing significant shifts, driven by technological innovation, geopolitical tensions, and changing economic strategies. As the world’s largest economy, the United States plays a pivotal role in determining the trajectory of global trade policies (Ogunjobi, Eyo-Udo, Egbokhaebho, Daraojimba, Ikwue & Banso, 2023). Trade policies shape international commerce, determining how goods, services, and capital flow between nations (Irwin, 2024). The balance between domestic growth and global competitiveness has long been a key issue for policymakers, businesses, and citizens alike. At the heart of these discussions is how the US can maintain its leadership in global markets while fostering sustainable economic growth at home (Oh, 2024). For decades, US trade policies have had a dual focus: promoting American exports and protecting domestic industries from unfair competition (Zhang, 2024). However, with the rise of global challenges such as climate change, income inequality, and the disruptive impact of emerging technologies (Ali, Niaz, Ahmad & Khan, 2025), the US’s trade policies must adapt.

Thus, in an era marked by rapid technological advancements and shifting power dynamics, nations are increasingly finding themselves in competition for market share, talent, and investment (Sitaraman, 2025). It is often argued that trade policies are not only crucial for sustaining economic growth but are also a reflection of a country’s broader geopolitical and strategic goals. In the past few years, a growing sense of protectionism has emerged within the US, largely driven by concerns over the impact of globalization on domestic industries and jobs (Puślecki, 2023). These concerns have been exacerbated by the rise of economic competitors, particularly China, whose trade practices and industrial policies have sparked considerable debate. At the same time, American companies remain heavily reliant on foreign markets for growth, necessitating policies that strike a delicate balance between protecting domestic interests and ensuring the US remains competitive on the world stage.

Trade policies are inherently multifaceted, incorporating elements of economics, politics, and diplomacy. In essence, trade policy involves the strategies and agreements governments use to manage the flow of goods and services across borders (Sertyesilisik, 2021). These policies include tariffs, import and export restrictions, subsidies, and regulatory standards that affect how nations engage in commerce. One of the primary tools at a nation’s disposal to influence trade is tariffs – taxes imposed on imports and exports that affect the price and competitiveness of goods in the global market (Chen, Guo, Li, Xia & Xu, 2025). In addition to tariffs, nations also use non-tariff barriers, such as quotas and licensing requirements, to limit or regulate trade in specific industries. The goal of these policies is often to protect domestic industries from foreign competition or to incentivize certain sectors of the economy, such as high-tech manufacturing or agriculture (Sabah, 2022). On the global stage, the US has frequently engaged in trade negotiations and agreements aimed at lowering trade barriers and creating a level playing field for American businesses. However, trade policy is not just about securing favorable terms in negotiations. It also involves balancing the interests of various stakeholders within a country, including businesses, workers, and consumers. A major matter arising in the context of US trade policy is the growing tension between protectionism and free trade (Dadush, 2023; Bearce & Moya, 2020). While protectionist measures can shield domestic industries from foreign competition, they often come with unintended consequences, such as higher consumer prices and reduced innovation (Dabrowski, 2024). Furthermore, trade wars and the imposition of tariffs can lead to retaliatory actions by other countries, resulting in a broader economic slowdown. The US-China trade conflict is a case in point. In recent years, the US has imposed significant tariffs on Chinese goods, with the aim of addressing issues such as intellectual property theft and unfair trade practices. In response, China has retaliated with its own tariffs, leading to a protracted trade war that has disrupted global supply chains and raised the cost of goods for consumers on both sides (Ongan & Gocer, 2025; Mahedi, Wang, Mizanur, Hasan, Srikanto & Al, 2024). These trade tensions have raised fundamental questions about the long-term viability of protectionist trade policies and whether they ultimately benefit or harm the domestic economy. At the same time, there are concerns that the US’s increasing isolationist tendencies could erode its leadership role in global trade institutions, such as the World Trade Organization (WTO), and diminish its ability to influence international trade rules (Kupchan, 2020).

Another critical issue in the future of US trade policies is the role of global competitiveness in the face of rising economic powers, particularly China and India. As emerging markets continue to expand, they offer both opportunities and challenges for the US. While these nations represent new markets for American goods and services, they also pose stiff competition, especially in sectors such as technology, manufacturing, and consumer goods (Oh, 2024; Khandelwal, 2023). Over the past few years, US trade policies have become increasingly fragmented and reactive, often marked by protectionist measures and tariff wars (Rogers, Golara, Abdulsalam & Rogers, 2024; Robinson & Thierfelder, 2024; Puślecki, 2023). These policies have been driven by a desire to shield domestic industries from foreign competition, particularly from countries like China, the European Union, but they have led to a lack of consistency and predictability in trade relations. The US has increasingly withdrawn from multilateral trade agreements, favoring unilateral actions that, while aimed at protecting certain sectors, have disrupted global supply chains and strained relationships with key trading partners (Kupchan, 2020). Additionally, domestic industries seem to be struggling to maintain competitiveness in an era of rapid technological change and rising global standards. This has resulted in a trade policy domain that is more focused on short-term gains rather than long-term, strategic growth.

Domestically, protectionist policies have led to rising costs for consumers, particularly in industries heavily reliant on imports (Dabrowski, 2024). In some cases, tariffs and trade barriers have prompted retaliatory measures from other countries, resulting in the loss of key export markets for US businesses (Zeng, Wells, Gu & Wilkins, 2022). The focus on immediate economic protectionism has also hindered efforts to foster innovation, as industries become more insulated from global competition and less incentivized to adapt to changing market conditions (Dabrowski, 2024). Internationally, the US's retreat from multilateral trade forums like the World Trade Organization (WTO) has diminished its ability to shape the global trading system. The resulting fragmentation of global trade norms undermines the stability and predictability that businesses and investors require, making it harder for the US to maintain its competitive edge in a rapidly evolving global market. Ultimately, the failure to balance domestic economic priorities with the demands of global competitiveness seem to jeopardize both the US’s economic prosperity and its strategic position on the world stage.

# 1.1 Objective of the study

The main objective of this study is to analyze the future trajectory of U.S. trade policies with a focus on achieving a balance between domestic economic growth and global competitiveness. The specific objectives are to:

1) Examine the impact of shifts in United States' trade policies and tariffs on the United States' trade relationships with China and other key trading partners.

2) Analyze how changes in United States' trade policies and tariffs influence the United States' global economic position.

3) Propose solutions and strategies to mitigate the negative effects of United States' trade policy changes while enhancing the United States' global economic competitiveness.

# 1.2 Research Questions

1) How do shifts in United States' trade policies and tariffs affect the United States' trade relationships with China and other key trading partners?

2) How do changes in United States' trade policies and tariffs influence the United States' global economic position?

3) What are the solutions and strategies to mitigate the negative effects of United States' trade policy changes while enhancing the United States' global economic competitiveness?

# 2.0 Literature Review

# 2.1 Conceptual Review

# 2.1.1 Effect of Shifts in United States' Trade Policies and Tariffs on the United States' Trade Relationships with China and Other Key Trading Partners

The United States’ shift in trade policies and the imposition of tariffs have had significant implications for its trade relationships, particularly with China and other key trading partners (Ongan & Gocer, 2025). These policy changes were framed as necessary measures to address long-standing trade imbalances, intellectual property theft, and unfair trade practices. The most prominent example of this shift has been the escalating trade war with China, marked by the imposition of tariffs on hundreds of billions of dollars' worth of goods exchanged between the two nations (Alessandria, Khan, Khederlarian, Ruhl & Steinberg, 2024). In response, China retaliated with its own tariffs, affecting a wide range of American exports, particularly agricultural products and manufactured goods. While these actions were intended to pressure China into altering its trade practices, they resulted in significant disruptions to global supply chains and an increase in costs for consumers and businesses in both countries. Not only did these tariffs cause immediate economic harm, but they also damaged the broader trade relationship, creating an environment of uncertainty for businesses and investors (Ongan & Gocer, 2025).

Beyond China, the US's shifting trade policies have also impacted its relationships with other key trading partners, including the European Union, Mexico, and Canada. The imposition of tariffs on steel and aluminum, for instance, led to tensions with traditional allies like the EU, who argued that the tariffs violated the principles of free trade and led to unnecessary market distortions (Daugirdas & Mortenson, 2018). Similarly, the renegotiation of the North American Free Trade Agreement (NAFTA) into the United States-Mexico-Canada Agreement (USMCA) demonstrated the US's more confrontational stance on trade (Villarreal & Fergusson, 2019). While these changes aimed to secure better terms for the US, they have also strained longstanding relationships and complicated negotiations. The US’s trade relationships are now characterized by a growing sense of mistrust, where partners are less willing to engage in future agreements, fearing that the US may unilaterally alter or abandon terms once agreed upon.

# 2.1.2 Effect of Changes in United States' Trade Policies and Tariffs on the United States' Global Economic Position

The changes in US trade policies and tariffs have had far-reaching consequences on its global economic position, with both short-term disruptions and long-term strategic ramifications (Armella & Conti, 2020). On one hand, the policies, particularly the use of tariffs as a leverage tool, were designed to address trade imbalances and protect domestic industries. However, the overall impact has been a weakened global leadership role for the US, which has traditionally championed free trade and open markets (Mahedi, Wang, Mizanur, Hasan, Srikanto & Al, 2024). By stepping away from multilateral trade agreements, such as the Trans-Pacific Partnership (TPP), and focusing on bilateral negotiations, the US has diminished its ability to shape the global economic domain (Biegon, 2020). This shift has allowed other emerging economies, particularly China, to take a more prominent role in establishing trade norms, thereby challenging US dominance in global economic affairs.

Moreover, the imposition of tariffs and other trade restrictions has led to retaliatory measures from other countries, resulting in a broader erosion of the multilateral trade system that the US once helped build and maintain (Nwoke, 2020). The US’s trade wars have disrupted international supply chains, raised consumer prices, and contributed to greater global uncertainty. For example, the tariffs on Chinese goods, while aiming to curb China's industrial dominance, also created significant disruption to American industries reliant on Chinese imports, such as electronics and manufacturing components. These disruptions have led to a decline in the US’s standing as the world’s primary exporter of goods and services. In the long term, these actions risk diminishing the US’s global economic influence, as other countries look to alternative markets and trading partners for more stable and predictable trade relations.

# 2.1.3 Solutions and Strategies to Mitigate the Negative Effects of United States' Trade Policy Changes While Enhancing the United States' Global Economic Competitiveness

To mitigate the negative effects of US trade policy changes while enhancing global economic competitiveness, a more balanced and strategic approach is essential. The US needs to reconsider its stance on multilateral trade agreements and re-engage with international trade bodies like the World Trade Organization (WTO) to help establish a fair and predictable global trading system. This would not only reinforce the US’s role as a leader in shaping global trade rules but also ensure that the country’s trade policies align with broader geopolitical and economic interests. Rather than focusing solely on protectionist measures, the US should seek to negotiate comprehensive trade deals that promote open markets, reduce tariffs, and encourage investment in innovation, technology, and sustainable development (Rodrik, 2018).

Additionally, fostering partnerships with emerging economies and investing in global supply chains can help mitigate the risks associated with trade wars and tariff impositions. By diversifying trading partners and enhancing trade relationships with regions such as Africa, Southeast Asia, and Latin America, the US can reduce its reliance on a few key markets and safeguard against future trade disruptions. These partnerships could also provide opportunities for American companies to tap into growing consumer markets, especially in rapidly developing regions that present new avenues for economic growth. Internally, the US must focus on strengthening its own economic resilience by investing in education, technology, and infrastructure, while also addressing labor market concerns. This includes preparing American workers for the jobs of the future through upskilling and reskilling programs, ensuring that they are equipped to compete in industries driven by automation, artificial intelligence, and green technologies. By fostering innovation at home and adopting policies that encourage domestic manufacturing, the US can reduce its dependence on foreign imports and create a more competitive and sustainable economy. Finally, trade policies should be aligned with environmental and social goals, promoting sustainability and fair labor practices across global supply chains (Turkmen, 2022). By pursuing trade policies that not only protect economic interests but also uphold global standards on human rights and environmental protection, the US can maintain its competitive edge while demonstrating leadership in the evolving global economy.

# 2.2 Theoretical Framework: Trade Creation and Trade Diversion Theory

The theory of Trade Creation and Trade Diversion was first propounded by Canadian economist Jacob Viner in 1950 (Filip, 2017). Viner introduced this theory in his work *The Customs Union Issue*, where he examined the economic effects of regional trade agreements (RTAs) and customs unions (Viner, 2014). His work was primarily concerned with understanding how such trade agreements impact the patterns of international trade, particularly the shifts in trade flows that occur when countries enter into preferential trading arrangements. Viner's contributions laid the foundation for the study of how trade agreements could both create new trade opportunities and divert trade from more efficient global markets to less efficient ones. His analysis remains a crucial framework in understanding the economic consequences of trade liberalization and regionalism in international trade (Filip, 2017).

The central postulations of the Trade Creation and Trade Diversion theory focus on the outcomes of preferential trade agreements (Clausing, 2001). Trade creation refers to the situation where a customs union or trade agreement leads to the expansion of trade between member countries by eliminating tariffs or reducing barriers, thereby enabling countries to import goods more cheaply from one another (Mattoo, Mulabdic & Ruta, 2022). In this case, the overall welfare of participating countries increases due to the more efficient allocation of resources and the opening up of new markets. On the other hand, trade diversion occurs when a country’s trade is diverted from a more efficient producer outside the trade agreement to a less efficient producer within the agreement due to preferential treatment, such as lower tariffs or quotas (Mattoo, Mulabdic & Ruta, 2022). In this scenario, while trade may increase within the customs union, the global efficiency of trade diminishes because resources are being allocated to less competitive industries. The balance between trade creation and trade diversion is critical in assessing the overall welfare impact of any regional trade agreement.

The Trade Creation and Trade Diversion theory is highly relevant to the study of US trade policies and its relationships with key trading partners. As the United States has increasingly moved towards bilateral trade agreements and away from multilateral agreements, particularly under the Trump administration, the effects of trade creation and trade diversion have become more pronounced. For instance, the renegotiation of NAFTA into the United States-Mexico-Canada Agreement (USMCA) represents a shift in trade flows between these three countries, potentially creating trade opportunities in some sectors while diverting trade from other, more efficient global sources (Villarreal & Fergusson, 2019). Similarly, the imposition of tariffs on China and other key trading partners may lead to trade diversion, as US consumers and businesses may seek alternative sources for goods, sometimes at higher costs or less favorable terms. This theory allows for a critical analysis of how the US’s evolving trade policies may lead to a restructuring of its global trade relationships, with potential long-term effects on both domestic and international economic dynamics.

# 2.3 Empirical Review

Ongan and Gocer (2025) examined the impacts of the US and China’s trade policy uncertainties (TPU Indexes) on the bilateral trade balances (BTBs) of both countries. Their empirical findings reveal that changes in the TPU Indexes of both the US and China significantly affect their respective BTBs. Additionally, they concluded that Chinese exporters and importers are more responsive to trade policy uncertainty within China, while US exporters and importers are less sensitive to trade policy uncertainty within the US. Another key conclusion is that Chinese actors react more to their own trade policy uncertainty than to US trade policy uncertainty. The study's final section provides policy implications based on these findings, offering recommendations for policymakers in both nations.

Chen, Guo, Li, Xia, and Xu (2025) investigated how tariff shocks influence the domestic performance of Chinese firms using quarterly data on both international and domestic transactions from 2017 to 2018. Their analysis uncovered several important findings: (i) a one percent increase in export tariffs leads to a 0.235 percent increase in domestic sales, suggesting that higher export costs drive suppliers to prioritize domestic markets, affecting the extensive margin; (ii) a similar increase in countervailing import tariffs results in a 0.995 percent decrease in domestic purchases, highlighting the complementary relationship between China’s imported intermediates and domestic products; and (iii) larger firms exhibit smaller increases in domestic sales and are more likely to reduce their domestic intermediate inputs in response to negative external risks. These findings emphasize the importance of understanding the complementary relationship between imports and domestic inputs in shaping strategies to mitigate the adverse effects of tariff policies on domestic production.

Oh (2024) examined developments in US trade policy amid the shifting dynamics of world trade. The rise of unconventional, unilateral trade policies raises questions about the legitimacy of the World Trade Organization (WTO). Over time, the global trading system has evolved in response to various external factors, including US-China competition. The political realities exposed the inadequacies of the existing trading regime in accommodating unique non-market economies (NMEs) like China in the world market. To better adapt to the changing world trade environment, the US turned to unilateral trade tactics. This study argues that the root cause of this shift can be traced to developments in US trade policy under each US presidency. The study’s findings show that the overarching goal of US trade policy has remained consistent—countering the rise of China. However, the priorities and political ideals of each president, along with the impact of China’s WTO accession, have led to significant changes in US-China relations and, more broadly, the global trading system. The article aims to provide a policy explanation for the current challenges in world trade by examining US trade policy developments since China’s WTO accession.

Rogers, Golara, Abdulsalam, and Rogers (2024) analyzed the impact of the tariffs imposed by the United States in 2018 on the industries they were intended to protect, including steel, semiconductors, agricultural equipment, and chemicals, as well as on their suppliers and customers. Using an event study approach, they examined the effects of four distinct tariff measures on the firm value of 691 publicly traded US companies. By applying resource dependence theory (RDT), they sought to better understand the net impact of tariffs on the protected industries and their supply chains. The results demonstrated that the 2018 tariffs had an overall negative impact on firm value, reducing the value of domestic producers in the protected industries and creating mixed financial effects on firms within their supply chains. These findings highlight the unintended consequences of tariffs, illustrating the ripple effects they can cause across supply chains and providing valuable hints for further theoretical development and trade policy formulation.

Robinson and Thierfelder (2024) considered two policy scenarios under active discussion: (1) an across-the-board 10% increase in all US tariffs, and (2) a significant escalation of the US trade war with China. These scenarios were analyzed using a multi-country computable general equilibrium (CGE) model of the global economy. The analysis revealed that trade wars or widespread protectionist policies lead to increased tariffs in many sectors simultaneously, including both final goods and intermediate inputs. The impacts are complex, involving direct and indirect effects across both domestic and international markets. In a global economy where the US represents only 10% of total trade and rival trade blocs have emerged in Europe and East and Southeast Asia, the US no longer holds a hegemonic position in global markets. The findings indicate that across-the-board tariffs do not protect manufacturing jobs, as the increased cost of imported intermediate goods raises manufacturing production costs. The US-China trade war led to a significant decline in bilateral trade, while other countries expanded their trade with China and the US, except for closely linked partners like Canada, Mexico, and countries in East and Southeast Asia. The study concluded that the world economy can adjust to US trade wars by redirecting trade away from the US.

Alessandria, Khan, Khederlarian, Ruhl, and Steinberg (2024) modeled trade policy as a Markov process, using a dynamic exporting model to estimate how expectations about U.S. tariffs on China changed around the U.S.-China trade war. Their findings include: (i) no increase in the likelihood of a trade war before 2018; (ii) the trade war was initially expected to end quickly, but its expected duration grew substantially after 2020; and (iii) the trade war reduced the likelihood that China would face Non-Normal Trade Relations tariffs in the future. Their analysis suggests that the expected future U.S. tariff on China rose more under President Biden than under President Trump.

Mahedi, Wang, Mizanur, Hasan, Srikanto, and Al (2024) provided an economic analysis of the trade dispute between the United States and China, examining the tariff hikes, the origins of the trade conflict, and its economic consequences. Based on both empirical data and simulations, they found that the average bilateral tariffs between the US and China had risen to 17%, with only a slight reduction to 16% following the Phase One Agreement signed in January 2020. The trade conflict led to a significant decrease in trade between the two countries, along with a shift in trade patterns, particularly with imports from other regions. This resulted in a restructuring of value chains in East Asia. Their simulation analysis revealed that the tariff hike had a minimal direct impact on the global economy, causing a 0.1% drop in world GDP. However, the United States was expected to benefit from increased income due to China’s pledge to purchase more American goods. The study emphasized the impact of uncertainty in trade policy, offering a framework to examine its effects.

Puślecki (2023) discussed the implications of increased protectionism between the United States and China on international business. The research provided a comprehensive analysis of trends in foreign trade theory and policy, focusing on trade interests, protectionist pressures, and reasons for the U.S. to implement tariff sanctions. The study concluded that China would experience negative impacts across several indicators, including welfare, GDP, manufacturing employment, and trade. Despite these challenges, the costs for China were seen as manageable and not severely damaging to the economy. In contrast, the simulation suggested that the U.S. would experience gains in welfare, GDP, and non-manufacturing production, although there would be negative effects on employment and trade.

Zeng, Wells, Gu, and Wilkins (2022) developed a measure of geopolitical and economic tensions in US-China relations based on sentiment expressed in major US news media, using it to analyze the impact of bilateral tensions on US imports from China between 2002 and 2019. Their results indicated that bilateral tensions had a negative effect on US imports from China. Further analysis of industries with varying levels of supply chain integration with China revealed that tensions disproportionately affected industries highly integrated with the Chinese market. This pattern persisted during the trade war period, with bilateral tensions leading to higher tariffs on industries with strong global value chain linkages to China. The study found that tariff hikes had a sustained impact on these industries, suggesting that “sunk costs” considerations were not enough to prevent the continued decline in bilateral trade relations under both routine diplomacy and trade war conditions.

# 2.4 Gap in Literature

Despite extensive research on U.S.-China trade policies and their global implications, existing literature has notable gaps in addressing the future trajectory of U.S. trade policies with a dual focus on balancing domestic economic growth and global competitiveness. Studies such as Ongan and Gocer (2025) highlight trade policy uncertainties and their effects on bilateral trade balances, while Chen, Guo, Li, Xia, and Xu (2025) delve into tariff impacts on domestic and international firm performance. Oh (2024) and Mahedi, Wang, Mizanur, Hasan, and Srikanto (2024) provide critical hints into the evolution of U.S. unilateral trade tactics and the origins of the U.S.-China trade conflict. Rogers, Golara, Abdulsalam, and Rogers (2024) examine unintended consequences of tariffs, and Robinson and Thierfelder (2024) explore multi-country trade dynamics using CGE models. Alessandria, Khan, Khederlarian, Ruhl, and Steinberg (2024) focus on expectations surrounding tariff changes, while Zeng, Wells, Gu, and Wilkins (2022) assess geopolitical tensions’ impact on imports. Lastly, Puślecki (2023) analyzes the broader implications of U.S.-China protectionism on economic indicators. However, these studies rarely integrate a forward-looking perspective that encompasses strategies for mitigating policy-induced risks while enhancing U.S. trade relationships globally. This study addresses this gap by proposing a holistic framework for aligning U.S. trade policies with both domestic growth objectives and global economic positioning.

# 3.0 Methodology

This study adopts a survey research design to examine the future trajectory of U.S. trade policies with a focus on balancing domestic economic growth and global competitiveness. A survey design is appropriate for this research because it allows for the systematic collection of data from a defined group of respondents to understand their perspectives, experiences, and recommendations. Given the complexity of trade policy and its implications, the survey design enables the researcher to gather diverse hints from key stakeholders, including policymakers, economists, trade experts, and business leaders, ensuring a broad understanding of the subject matter. Additionally, the survey approach facilitates structured data collection, which is essential for quantitative analysis.

The population for the study comprises 100 respondents, purposively selected for their expertise and direct involvement in matters related to U.S. trade policy and global economic competitiveness. The selection of this population ensures that the data collected is highly relevant and informed by professional experience and understanding. A sample size of 100 is considered sufficient for drawing meaningful conclusions while maintaining manageability in data collection and analysis. This number allows for adequate representation and diversity in views, reducing potential biases that could arise from a smaller sample.

Data were collected using a structured questionnaire, which is designed to elicit focused and measurable responses from participants. Structured questionnaires are chosen because they enable standardization in data collection, ensuring consistency across respondents. This format includes closed-ended and four-point Likert-scale questions to capture quantitative data on respondents' perceptions of U.S. trade policy impacts, shifts in trade relationships, and recommended strategies for achieving balance between domestic growth and global competitiveness. The use of a structured questionnaire also facilitates ease of analysis and enhances reliability, as the uniformity of responses reduces ambiguity. The data were analyzed using frequency analysis. Mean point analysis was also used in the analysis in order to provide a quantitative measure of central tendency for respondents' opinions on the various statements regarding U.S. trade policies. By calculating the mean score for each statement, we can determine the overall sentiment toward specific trade policy aspects, such as their impact on trade relationships, global competitiveness, and potential solutions. This approach helps identify trends, preferences, or concerns shared by the majority of respondents, allowing for a clearer understanding of how changes in trade policies are perceived and which solutions or strategies are considered most favorable for mitigating negative effects and enhancing the U.S.'s global economic position.

# 4.0 Data Analysis

# 4.1 Analysis of Research Questions

# 4.1.1 Research Question I

**Table 1 Analysis of Research Question I**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **1) How do shifts in United States' trade policies and tariffs affect the United States' trade relationships with China and other key trading partners?** | **Very High Extent** | **High Extent** | **Low Extent** | **Very Low Extent** | **Mean** |
| 1. The imposition of tariffs has led to a reduction in trade volume between the U.S. and key trading partners. | 32 | 56 | 12 | 0 | 3.08 |
| 1. Recent shifts in U.S. trade policies have caused uncertainty among global trading partners, particularly China. | 32 | 60 | 4 | 4 | 3.20 |
| 1. U.S. trade policies have led to increased trade tensions between the U.S. and its major trading partners. | 32 | 52 | 8 | 8 | 3.08 |
| 1. Tariff increases have forced U.S. businesses to seek alternative suppliers outside of China and other key markets. | 32 | 52 | 8 | 8 | 3.08 |

Source: Survey Findings (2025)

The frequency analysis of responses to Research Question I, as presented in Table 1, reveals important hints into how shifts in United States' trade policies and tariffs have affected the U.S.'s trade relationships with China and other key trading partners.

For the first statement, "The imposition of tariffs has led to a reduction in trade volume between the U.S. and key trading partners," a majority of respondents (56) indicated that this effect occurred to a high extent, while 32 respondents felt it happened to a very high extent. Only 12 respondents noted a low extent, and no respondents reported a very low extent. This suggests a general consensus that the imposition of tariffs has significantly impacted trade volumes, with the mean score of 3.08 indicating a tendency toward agreement.

The second statement, "Recent shifts in U.S. trade policies have caused uncertainty among global trading partners, particularly China," garnered a similar pattern of responses. Thirty-two respondents indicated a very high extent, and 60 respondents marked a high extent, which points to a broad perception that U.S. trade policies have indeed caused considerable uncertainty, particularly with China. With only 4 respondents choosing a low extent and 4 selecting very low, the response strongly reflects a widespread belief in the significant impact of U.S. trade policy changes. The mean score here is 3.20, suggesting a slightly higher consensus compared to the first statement, highlighting that uncertainty due to trade policies is widely recognized.

Regarding the third statement, "U.S. trade policies have led to increased trade tensions between the U.S. and its major trading partners," the frequency distribution shows a similar pattern. Thirty-two respondents again indicated a very high extent, while 52 noted a high extent, indicating that the majority of respondents perceive an increase in trade tensions. However, 8 respondents marked a low extent, and another 8 marked a very low extent, suggesting a slight minority who either disagree or feel less strongly about this statement. The mean score of 3.08 aligns closely with the first statement, reinforcing the idea that the trade tensions between the U.S. and its trading partners are widely acknowledged but not universally accepted as a dominant effect.

Finally, the fourth statement, "Tariff increases have forced U.S. businesses to seek alternative suppliers outside of China and other key markets," presents a similar pattern, with 32 respondents indicating a very high extent, and 52 noting a high extent. This shows that a significant portion of respondents agrees that tariff increases have prompted businesses to look for new suppliers. The 8 respondents who marked low and very low extents again reflect a minority view, while the mean of 3.08 indicates a solid level of agreement overall, aligning with the other statements.

# 4.1.2 Research Question II

**Table 2 Analysis of Research Question II**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **2) How do changes in United States' trade policies and tariffs influence the United States' global economic position?** | **Very High Extent** | **High Extent** | **Low Extent** | **Very Low Extent** | **Mean** |
| 1. Changes in U.S. trade policies and tariffs have weakened the U.S.'s standing in the global economy. | 44 | 44 | 8 | 4 | 3.28 |
| 1. U.S. trade policy changes have resulted in a loss of competitive advantage in certain industries, such as manufacturing and agriculture. | 44 | 40 | 12 | 4 | 3.24 |
| 1. The U.S.'s trade position on the global stage has been negatively impacted by protectionist measures. | 48 | 44 | 4 | 4 | 3.36 |
| 1. The imposition of tariffs on foreign goods has led to higher consumer prices, impacting the U.S. economy’s competitiveness. | 52 | 40 | 4 | 4 | 3.40 |

Source: Survey Findings (2025)

Table.2 presents the analysis of research question II, which examines how changes in U.S. trade policies and tariffs influence the United States' global economic position. The table outlines the frequency distribution for four statements related to this question, along with the mean scores, offering a clear picture of how respondents perceive the influence of U.S. trade policies on the country's economic standing globally.

The first statement, “Changes in U.S. trade policies and tariffs have weakened the U.S.'s standing in the global economy,” has a mean score of 3.28, reflecting a moderate to high level of agreement among respondents. The frequency distribution shows that 44 respondents selected "very high extent," and another 44 chose "high extent." This suggests that the majority of participants perceive that U.S. trade policies and tariffs have significantly weakened the country’s position in the global economy. A smaller number (8 respondents) rated this as "low extent," and just 4 rated it as "very low extent," which indicates that there is relatively little disagreement on this matter. The data indicates a strong consensus that U.S. trade policies have negatively impacted the country's global economic standing.

The second statement, “U.S. trade policy changes have resulted in a loss of competitive advantage in certain industries, such as manufacturing and agriculture,” has a mean score of 3.24, slightly lower than the first item but still reflecting a strong agreement. The distribution shows that 44 individuals marked "very high extent," and 40 rated it as "high extent." This suggests that a majority believes trade policy changes have hurt the U.S.'s competitive edge, particularly in critical industries like manufacturing and agriculture. The 12 respondents who rated this as "low extent" and 4 who chose "very low extent" indicate that a small minority perceive less impact, but the overall pattern points to a consensus on the negative effect of trade policy changes on competitiveness.

For the third statement, “The U.S.'s trade position on the global stage has been negatively impacted by protectionist measures,” the mean score rises to 3.36, the highest of the four statements, signaling a strong agreement. The frequency distribution shows that 48 respondents indicated "very high extent," and 44 selected "high extent," further reinforcing the idea that protectionist measures have significantly damaged the U.S.’s trade position globally. Only 4 respondents each chose "low extent" and "very low extent," showing minimal disagreement. This suggests that most participants see protectionism as a serious hindrance to the U.S.'s international trade standing.

The fourth statement, “The imposition of tariffs on foreign goods has led to higher consumer prices, impacting the U.S. economy’s competitiveness,” has a mean score of 3.40, the highest of all the statements in the table. This suggests that respondents strongly agree with the idea that tariffs have led to higher consumer prices, which in turn affects the U.S.'s economic competitiveness. The frequencies reflect this, with 52 respondents selecting "very high extent" and 40 choosing "high extent." This is a clear indication that the majority of respondents believe that the imposition of tariffs has a substantial impact on the U.S. economy by raising costs for consumers and diminishing its competitiveness. Only 4 respondents each selected "low extent" and "very low extent," again indicating a very small group who view the impact as less significant.

# 4.1.3 Research Question III

**Table 3 Analysis of Research Question III**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **3) What are the solutions and strategies to mitigate the negative effects of United States' trade policy changes while enhancing the United States' global economic competitiveness?** | **Very High Extent** | **High Extent** | **Low Extent** | **Very Low Extent** | **Mean** |
| 1. Investing in innovation and technology could mitigate the negative effects of trade policy changes on U.S. industries. | 36 | 48 | 4 | 12 | 3.08 |
| 1. Focusing on multilateral trade agreements will help the U.S. to strengthen its competitive position in the global market. | 36 | 56 | 8 | 0 | 3.28 |
| 1. A more balanced trade policy, with reduced protectionist measures, would improve the U.S.'s global economic competitiveness. | 32 | 56 | 12 | 0 | 3.08 |
| 1. Strengthening the domestic supply chain through incentives for local production can help reduce the reliance on foreign markets and mitigate trade policy disruptions. | 36 | 48 | 16 | 0 | 3.20 |

Source: Survey Findings (2025)

Table.3 provides an analysis of research question III, which investigates the solutions and strategies that could mitigate the negative effects of United States' trade policy changes while enhancing the U.S.'s global economic competitiveness. The table presents the frequencies and mean scores for four proposed solutions, allowing us to assess the extent of agreement among respondents regarding these strategies.

The first statement, "Investing in innovation and technology could mitigate the negative effects of trade policy changes on U.S. industries," has a mean score of 3.08, indicating a moderate level of agreement. The frequency distribution shows that 36 respondents selected "very high extent," and 48 chose "high extent," suggesting that most participants see investing in innovation and technology as a viable solution to address the challenges posed by trade policy changes. However, 4 respondents rated this as "low extent," and 12 selected "very low extent," indicating a smaller group who perceive the impact of such investments as less significant. Overall, the data shows a positive but mixed reception toward innovation and technology as a mitigation strategy.

The second statement, "Focusing on multilateral trade agreements will help the U.S. to strengthen its competitive position in the global market," has a mean score of 3.28, which is the highest among the four items, reflecting stronger agreement. The frequencies indicate that 36 respondents rated it as "very high extent," and 56 selected "high extent." This clearly shows that a majority of respondents believe that multilateral trade agreements could play a crucial role in enhancing the U.S.'s competitiveness globally. No respondents chose "very low extent," and only 8 chose "low extent," which suggests that there is broad support for the idea that multilateral agreements would be beneficial in improving the U.S.’s competitive position.

For the third statement, "A more balanced trade policy, with reduced protectionist measures, would improve the U.S.'s global economic competitiveness," the mean score is 3.08, similar to the first statement. The response distribution reveals that 32 individuals selected "very high extent," and 56 chose "high extent," indicating strong support for the idea that reducing protectionist measures would be a positive step. However, 12 respondents rated it as "low extent," and none selected "very low extent," suggesting that while most participants agree, there is still some variation in how much they believe such a policy shift would improve competitiveness.

The fourth statement, "Strengthening the domestic supply chain through incentives for local production can help reduce the reliance on foreign markets and mitigate trade policy disruptions," has a mean score of 3.20, indicating a moderately high level of agreement. The frequency distribution shows that 36 respondents rated it as "very high extent," and 48 chose "high extent," which suggests a majority view that bolstering the domestic supply chain could mitigate disruptions caused by trade policies. However, 16 respondents selected "low extent," and no one chose "very low extent," which implies that while most agree, a significant portion of respondents still perceive limited impact from strengthening the domestic supply chain.

# 4.2 Summary of Empirical Findings

Summarily, the analysis revealed the following:

1. Shifts in U.S. trade policies, particularly the imposition of tariffs, have had a noticeable impact on trade volume, trade tensions, and business behavior, with the highest agreement on the uncertainty created for global trading partners, especially China.

2. Changes in U.S. trade policies, particularly those involving tariffs and protectionist measures, have had a negative impact on the U.S.'s global economic position, since these policies have weakened the U.S.'s standing, resulted in a loss of competitive advantage, and contributed to higher consumer prices that undermine economic competitiveness.

3. Multilateral trade agreements and strengthening the domestic supply chain are perceived as the most effective solutions to mitigate the challenges of shifting trade policies while enhancing U.S. global competitiveness, while innovation and balanced trade policies also receive substantial support.

# 4.3 Discussion of Findings

The first finding indicates that shifts in U.S. trade policies, especially the imposition of tariffs, have had a significant impact on trade volume, trade tensions, and business behavior, particularly creating uncertainty among global trading partners like China. This is not surprising given that the U.S.'s use of tariffs in recent years, especially in its trade war with China, has been a source of global trade instability. The imposition of tariffs creates an environment of unpredictability, forcing businesses to reconsider their trade strategies, often leading to reduced cross-border trade or adjustments to supply chains. The high level of agreement regarding the uncertainty generated reflects how much the global community perceives these shifts as disruptive to established trade relations.

Supporting this, Ongan and Gocer (2025) found that trade policy uncertainties, including those between the U.S. and China, have significantly impacted bilateral trade balances. Their analysis revealed that Chinese exporters were particularly sensitive to domestic trade policy uncertainties, highlighting the broader implications of U.S. policy shifts. Additionally, Zeng, Wells, Gu, and Wilkins (2022) identified that U.S.-China trade tensions, especially those during the trade war, led to a reduction in U.S. imports from China, with industries highly integrated into global supply chains being disproportionately affected. These findings align with the perception that U.S. trade policies, particularly tariffs, cause considerable uncertainty for trading partners.

The second finding highlights that changes in U.S. trade policies, especially protectionist measures such as tariffs, have had a negative impact on the U.S.'s global economic position. The imposition of tariffs has weakened the U.S.'s standing by raising costs, reducing competitiveness, and leading to higher consumer prices. This result reflects broader concerns about the effectiveness of protectionism, especially when it leads to retaliatory measures from other countries, negatively affecting U.S. exports. Moreover, while protectionist policies may provide short-term benefits for certain industries, they tend to hurt the broader economy, especially when the global market responds by redirecting trade away from the U.S.

Robinson and Thierfelder (2024) supported this notion by illustrating that trade wars and protectionist measures can have long-term negative impacts on the global economic position of the U.S., as trade wars often lead to a decline in bilateral trade and prompt other countries to expand trade with the U.S.'s competitors. Similarly, Mahedi, Wang, Mizanur, Hasan, Srikanto, and Al (2024) found that U.S.-China tariff hikes reduced trade between the two countries and led to shifts in global trade patterns, albeit with minimal direct impact on global GDP. The higher tariffs contributed to economic disruptions and weakened U.S. competitiveness, supporting the finding that protectionist measures have undermined the country's global standing.

The final finding indicates that the most effective strategies to mitigate the challenges posed by shifting U.S. trade policies are investing in multilateral trade agreements and strengthening the domestic supply chain, with innovation and balanced trade policies also receiving support. This is consistent with the broader understanding that multilateral cooperation and bolstering domestic production capabilities can help countries, including the U.S., better withstand the disruptions caused by volatile trade policies. Multilateral agreements, in particular, help ensure access to diverse markets and reduce the risks associated with overly protectionist policies.

The findings from Rogers, Golara, Abdulsalam, and Rogers (2024) align with the importance of strengthening domestic supply chains, as they highlighted how tariffs could disrupt supply chains, underscoring the need for more self-reliant production systems. Similarly, Oh (2024) suggested that shifting toward multilateral trade agreements could help the U.S. maintain its global economic position amidst rising protectionism. Chen, Guo, Li, Xia, and Xu (2025) also emphasized the need to manage domestic markets when dealing with tariff-induced trade disruptions, underscoring that a balanced approach to trade policy—incorporating both domestic production strategies and international trade agreements—can be key to mitigating the economic challenges posed by U.S. trade policies.

# 5.0 Conclusion and Recommendation

In conclusion, the future of US trade policies is at a critical juncture. The US must navigate a complex domain of domestic interests, global competition, and emerging challenges, while also ensuring that its trade policies remain flexible and adaptable in the face of changing economic realities. Finding the right balance between fostering domestic growth and maintaining global competitiveness will be crucial for the US’s continued leadership in the global economy. As this study will explore, the solutions to these challenges lie not in a singular approach, but in a nuanced strategy that addresses the needs of businesses, workers, and consumers, while also positioning the US to thrive in an increasingly complex and interconnected global marketplace.

Thus, an ideal trade policy framework for the United States would strike a balance between fostering domestic economic growth and enhancing global competitiveness. By supporting the expansion of American industries, creating high-quality jobs, and promoting sustainable practices, such a policy would enable the US to remain at the forefront of innovation and trade. Finally, fair and mutually beneficial trade agreements would ensure the country retains its competitive edge while safeguarding the welfare of its workers and the environment. Ultimately, this approach would allow the US to leverage its global influence to shape international trade norms and standards, securing a prosperous and sustainable future both domestically and internationally. This study therefore recommends that:

1) The US government should implement policies that incentivize domestic manufacturing, particularly in sectors facing trade imbalances such as steel, automotive, and electronics. This could include targeted subsidies, tax breaks for manufacturing companies that produce goods domestically, and investing in advanced manufacturing technologies like automation and robotics.

2) The US should focus on addressing non-tariff barriers by pushing for comprehensive trade agreements that include enforceable provisions on regulatory standards, licensing requirements, and subsidies, ensuring a fairer competitive environment for US companies.

3) The US should pursue a strategy of diplomatic engagement with China, focusing on mutual interests such as climate change and technology collaboration, while negotiating for greater market access, intellectual property protections, and fairer trade practices.

# References

Alessandria, G. A., Khan, S. Y., Khederlarian, A., Ruhl, K. J., & Steinberg, J. B. (2024). *Trade War and Peace: US-China Trade and Tariff Risk from 2015–2050* (No. w32150). National Bureau of Economic Research.

Ali, S., Niaz, H., Ahmad, S., & Khan, S. (2025). Investigating how Rapid Urbanization Contributes to Climate Change and the Social Challenges Cities Face in Mitigating its Effects. *Review of Applied Management and Social Sciences*, *8*(1), 1-16.

Armella, S., & Conti, M. (2020). Borders and protectionism: US trade policy and its impact on law, economy and international trade. *Global Trade and Customs Journal*, *15*(2).

Bearce, D. H., & Moya, S. L. (2020). Why is the mass public not more supportive of free trade? Evidence from the United States. *International Studies Quarterly*, *64*(2), 380-391.

Biegon, R. (2020). US hegemony and the trans-pacific partnership: Consensus, crisis, and common sense. *The Chinese Journal of International Politics*, *13*(1), 69-101.

Chen, B., Guo, D., Li, Y., Xia, J., & Xu, M. (2025). How US tariffs impact China’s domestic sourcing: Evidence from firm-to-firm transactions. *Journal of International Money and Finance*, *150*, 103216.

Clausing, K. A. (2001). Trade creation and trade diversion in the Canada–United States free trade agreement. *Canadian Journal of Economics/Revue canadienne d'économique*, *34*(3), 677-696.

Dabrowski, M. (2024). The Risk of Protectionism: What Can Be Lost?. *Journal of Risk and Financial Management*, *17*(8), 374.

Dadush, U. (2023). American protectionism. *Revue d'économie politique*, *133*(4), 497-524.

Daugirdas, K., & Mortenson, J. D. (Eds.). (2018). Trump Administration Continues Push to Reshape American Trade Relations by Imposing Tariffs on Steel and Aluminum Imports. *The American Journal of International Law*, *112*(2), 315-322.

Filip, D. (2017). *Jacob Viner and Gottfried von Haberler, two theories of custom union, a precise answer for the European Union*. Department of Economic History, Institutions, Policy and Worldwide Economy, Bachelor’s degree in Economics. <https://diposit.ub.edu/dspace/bitstream/2445/108505/1/TFG-ECO%28EUS%29-FilipDaniela_2017.pdf>

Irwin, D. A. (2024). *Trade policy disaster: lessons from the 1930s*. MIT press.

Khandelwal, A. K. (2023). The us-china trade war and India’s exports. In *India Policy Forum* (Vol. 19, No. 1, pp. 181-222). National Council of Applied Economic Research.

Kupchan, C. (2020). *Isolationism: A History of America's Efforts to Shield Itself from the World*. Oxford University Press.

Mahedi, H., Wang, J., Mizanur, R. M., Hasan, S. Y., Srikanto, M., & Al, F. U. (2024). A Comparative Analysis of the Trade Policies of China and the United States of America. *Open Journal of Business and Management*, *12*(04), 2174-2207.

Mattoo, A., Mulabdic, A., & Ruta, M. (2022). Trade creation and trade diversion in deep agreements. *Canadian Journal of Economics/Revue canadienne d'économique*, *55*(3), 1598-1637.

Nwoke, U. (2020). Imposition of trade tariffs by the USA on China: implications for the WTO and international trade law. *Journal of international trade law and policy*, *19*(2), 69-84.

Ogunjobi, O. A., Eyo-Udo, N. L., Egbokhaebho, B. A., Daraojimba, C., Ikwue, U., & Banso, A. A. (2023). Analyzing historical trade dynamics and contemporary impacts of emerging materials technologies on international exchange and us strategy. *Engineering Science & Technology Journal*, *4*(3), 101-119.

Oh, H. B. (2024). Developments in US Trade Policy Amid the Shifting Dynamics of World Trade. *Journal of World Trade*, *58*(4).

Ongan, S., & Gocer, I. (2025). Impacts of Trade Policy Uncertainties on US-China Bilateral Trade. *The Chinese Economy*, 1-9.

Puślecki, Z. W. (2023). Implications Increase of Protectionism Between USA and China for International Business. *International Journal of Environmental Engineering and Development*, *1*, 175-197.

Robinson, S., & Thierfelder, K. (2024). US international trade policy: Scenarios of protectionism and trade wars. *Journal of Policy Modeling*, *46*(4), 723-739.

Rodrik, D. (2018). What do trade agreements really do?. *Journal of economic perspectives*, *32*(2), 73-90.

Rogers, Z. S., Golara, S., Abdulsalam, Y., & Rogers, D. S. (2024). Protect me not: The effect of tariffs on US supply networks. *Journal of Purchasing and Supply Management*, *30*(1), 100897.

Sabah, R. (2022). A Review of the Strength of Trade Polices of Emerging Economies and their Goal of Sustainable Economic Development. *Review of Economics and Development Studies*, *8*(2), 211-221.

Sertyesilisik, E. (2021). Political economy of trade and trade tariffs: The United States and China Trade Policies. In *Global Tariff War: Economic, political and social implications* (pp. 231-242). Emerald Publishing Limited.

Sitaraman, S. (2025). *The global battle for industrial dominance: China, America, and Europe in the 21st century*. Retrieved from <https://dkiapcss.edu/wp-content/uploads/2025/01/CH16_IndustrialDominance_FUBP9914.pdf>

Turkmen, N. C. (2022). Toward Sustainable Economic Growth: Aligning Macroeconomic Policies and Trade with SDG12. *Journal of Lifestyle and SDGs Review*, *2*, e01559-e01559.

Villarreal, M. A., & Fergusson, I. F. (2019). NAFTA Renegotiation and the Proposed United States-Mexico–Canada Agreement (USMCA). *Congressional Research Service*, *26*, 1-49.

Viner, J. (2014). *The customs union issue*. Oxford University Press, USA.

Zeng, K., Wells, R., Gu, J., & Wilkins, A. (2022). Bilateral tensions, the trade war, and US–China trade relations. *Business and Politics*, *24*(4), 399-429.

Zhang, Z. (2024). Trade Protectionism and International Trade Policy Study: A Case Analysis Based on the China-US Trade War. *Frontiers in Business, Economics and Management*, *14*(2), 115-119.