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Navigating New Economic Frontiers: China-led Trade Agreements, US-China Trade Wars, and the Impact of Trump-Era Tariff Policies

Ekonomideki Yeni Aşılan Sınırlar: Çin Liderliğindeki Ticaret Anlaşmaları, ABD-Çin Ticaret Savaşları ve Trump Dönemi Gümrük Politikalarının Etkisi

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ÖZ

Son yıllarda küresel ekonomik odak, özellikle Bölgesel Kapsamlı Ekonomik Ortaklık (RCEP) ve Kapsamlı Yatırım Anlaşması (CAI) gibi ticaret ve yatırım çerçevelerindeki Çin'in artan etkisi nedeniyle Asya-Pasifik bölgesine kaymıştır. Çin, küresel ticaret normlarını yeniden şekillendirmeyi ve liderlik rolünü güçlendirmeyi hedeflemektedir. Bu sırada, ABD-Çin ilişkileri özellikle Trump yönetimi döneminde gümrük tarifeleri ve korumacı politikaların benimsenmesiyle kötüleşmiş, tedarik zincirlerini ve ticaret istikrarını bozmuştur. Buna karşılık, Çin Kuşak ve Yol Girişimi ile ikili anlaşmalar gibi girişimlerle ortaklıklarını genişleterek ABD'ye olan bağımlılığını azaltmıştır. Bu çalışma, Çin'in stratejik yükselişi ile Amerika'nın savunmacı ticaret yaklaşımı arasındaki değişen dinamiği incelemekte ve güncel tarife verilerini kullanarak küresel ticaret yapıları üzerindeki uzun vadeli ekonomik ve jeopolitik etkileri değerlendirmektedir.

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ABSTRACT

In recent years, the global economic focus has shifted toward the Asia-Pacific, mainly due to China's growing influence in trade and investment frameworks such as Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive Agreement on Investment (CAI). China aims to reshape global trade norms and strengthen its leadership role. Meanwhile, U.S.-China relations deteriorated, especially during the Trump administration, which imposed tariffs and embraced protectionism, disrupting supply chains and trade stability. In contrast, China expanded partnerships through initiatives like the Belt and Road and bilateral agreements, reducing its dependence on the U.S. This paper explores the evolving dynamic between China's strategic rise and America's defensive trade stance, using updated tariff data to assess the long-term economic and geopolitical impacts on global trade structures.

1. Introduction

Over the last few decades, the way countries trade around the world has changed a lot. Much of this change has been influenced by China's confident financial actions and the growing tensions in trade with the United States, especially during the Trump administration. After World War II, Western countries had a strong influence on the global economy, supported by organizations like the International Monetary Fund (IMF), the World Bank, and the General Agreement on Tariffs and Trade (GATT), which later became the World Trade Organisation (WTO). These groups helped push for free trade and open markets (IMF,

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2020; World Bank, 2021; WTO, 2021). However, over time, this system has faced challenges because of a return to protectionist policies and nationalistic financial strategies (CRS Report, 2020).

China's rapid growth has become a major change in this global picture. Its steady economic growth, fast industrial progress, and active trade practices have helped it become a major player in world trade. One of the most important of these efforts is the Belt and Road Initiative (BRI), which started in 2013. The BRI shows China's plan to improve trade and investment across Asia, Africa, and Europe by building a network of connections (BRI, 2021). This initiative has been central to China's goal of becoming a key part of global trade and supply chains.

Complementing these efforts, the signing of the Territorial Comprehensive Economic Partnership (RCEP) in 2020 brought together fifteen countries in the Asia-Pacific region. This created the world's largest trading group and represented about one-third of the global economy. RCEP shows how China is playing a bigger role in connecting financial systems across the region and reducing trade barriers. Also, the Comprehensive Agreement on Investment (CAI) between China and the European Union, signed that same year, aimed to strengthen financial ties by making it easier to invest and simplifying rules for business (European Commission, 2020).

At the same time, the United States took a different path under President Donald Trump (2017–2021). His government moved away from traditional American policies that supported open markets and international cooperation. Instead, it adopted a more confrontational stance, imposing taxes on Chinese imports in 2018 and starting a trade war (USTR, 2020). These actions were a response to China's trade practices, which the U.S. claimed were unfair. These included stealing intellectual property, limiting the exchange of new ideas, and creating an imbalance in trade that harmed the U.S. economy. The result was significant: global supply chains were disrupted, production costs went up, and companies around the world became more vulnerable financially.

In addition to financial issues, the disagreement grew into the area of technology. The U.S. imposed sanctions on companies like Huawei, claiming national security risks and wanting to control technology. This shows that the conflict is about more than just money—it's also about gaining an edge in important fields like 5G networks, artificial intelligence, and chip making. This competition adds more pressure between the two countries (CRS Report, 2020).

The relationship between the U.S. and China under Trump had effects that went beyond just the two countries.

It impacted global trade and financial systems. Countries around the world faced more financial risks and had to make difficult choices about trade and policies. For example, traditional allies like the U.S. in Europe and Asia had to rethink their financial ties because of the unpredictable and changing policies. Other countries, like Türkiye, faced big challenges because of these global financial changes. Türkiye's location and connections with both Western and Asian countries make it a key player that could gain from shifting supply chains and trade deals. However, aligning with China through initiatives like the BRI while managing long-standing relationships with others is complicated. It needs careful planning to get the best results while keeping risks under control (World Bank, 2021).

This analysis looks at how China's actions and the Trump administration's trade policies have changed the global economy.

It also examines trade trends and tax data after major agreements, offering new insights into how these changes may affect the future of global finance and politics. Policymakers, business experts, and others can use this detailed study to make better decisions in the current global economic and financial environment.

1.1. Purpose

The primary purpose of this study is to examine the evolving global trade landscape influenced by China-led initiatives such as the Regional Comprehensive Economic Partnership (RCEP), the Comprehensive Agreement on Investment (CAI), and the Belt and Road Initiative (BRI), juxtaposed with the protectionist policies pursued during the Trump administration. The study aims to understand how these contrasting strategies have reshaped international trade dynamics, impacted global economic structures, and influenced third countries such as Türkiye. Additionally, it seeks to provide forward-looking insights into future trade relations and strategic positioning opportunities for emerging economies.

1.2. Methodology

This research adopts a qualitative, descriptive analysis approach based on secondary data sources. Key reports, policy documents, academic articles, and institutional publications from organisations such as the World Bank, International Monetary Fund (IMF), Congressional Research Service (CRS), European Commission, and others were systematically reviewed. Comparative analysis was used to evaluate the differing strategies of China and the United States regarding trade and investment. Timelines were constructed to illustrate the historical development of the US-China trade wars, and tables were utilised to provide structured visual representations. Emphasis was placed on synthesising historical events, policy shifts, and emerging trends to derive meaningful conclusions relevant to policymakers, academics, and business stakeholders.

2. Literature Review

Recent scholarly works and institutional reports have increasingly focused on transforming global trade dynamics resulting from China’s strategic initiatives and the U.S.'s evolving protectionist stance. Jacques (2009) interprets China's rise as an economic and ideological challenge to the

Western-led liberal international order. The Belt and Road Initiative (BRI), widely analysed as a cornerstone of China's long-term strategy, aims to establish alternative global trade routes and reduce reliance on traditional Western markets (OECD, 2018).

Swanson (2018) and Moon (2019) emphasise how the conflict between the U.S. and China extended beyond traditional goods trade into technological supremacy, particularly visible in actions against Huawei. The Congressional Research Service (2020) provides a detailed overview of the resurgence of economic nationalism under the Trump administration, illustrating how tariffs for China caused significant disruptions bilaterally and throughout global value chains.

Petri and Plummer (2020) highlight the central role of the Regional Comprehensive Economic Partnership (RCEP) in reconfiguring Asian and global trade networks. The Worldwide Financial Support (IMF, 2020) and World Bank (2021) reports broadly examine the macroeconomic implications of rising protectionism, estimating slower global trade growth and increased financial instability. Also, Murat and Ekinci Furtana (2021) underline the significance of China's Comprehensive Agreement on Investment (CAI) with the European Union, translating it as a key move to offset U.S. control endeavours. Recently, research has risen highlighting post-2021 advances. According to CRS (2024), exchange pressures between the U.S. and China intensified, with corresponding tariffing duty measures impacting global supply chains. A thought by Bown (2024) underscores the tireless financial impacts of the Stage One Understanding and consequent exchange activities. Overhauled investigations on RCEP's operational impacts, such as those distributed by PLOS ONE (2024), outline the agreement's role in improving territorial economic and development systems. In the meantime, ScienceDirect (2024) distributions have investigated Belt and Street Activity alterations and U.S. methodologies to counter Chinese framework speculations universally.

These later commitments offer profitable experiences into the advancing nature of worldwide financial competition, emphasising that the elements during the Trump administration continue to globalise and trade essentially.

3. The Rise of China in Global Economic Leadership

The crisis rising in worldwide financial administration is grounded in a multi-faceted technique. Instead of depending exclusively on household development, China has methodically extended its universal impact through exchange agreements, key speculations, and framework development activities (Murat & Ekinci Furtana, 2021). At the heart of this development lie three fundamental columns: the Territorial Comprehensive Financial Association (RCEP), the Comprehensive Agreement on Speculation (CAI) with the European Union, and the Belt and Road Initiative (BRI).

The RCEP, marked in 2020, is the biggest trade agreement in history. It comprises 15 Asia-Pacific countries, including major economies like China, Japan, and South Korea, as well as neighbouring countries such as Indonesia, Malaysia, and Vietnam (World Bank, 2021). By eliminating tariffs on 90% of traded goods over 20 years and simplifying trade rules among member states, RCEP fosters an integrated regional economy, with China strategically positioned at its centre. Scholars highlight that "RCEP consolidates China's economic leadership in the Asia-Pacific region at a time when the United States has withdrawn from similar frameworks such as the Trans-Pacific Partnership (TPP)" (Murat & Ekinci Furtana, 2021, p. 5).

In parallel, China advanced its economic influence westward through the Comprehensive Agreement on Investment (CAI) negotiated with the European Union. Concluded in principle in December 2020, CAI addresses longstanding EU complaints about unequal market access and unfair competition, promising to level the playing field for European companies operating in China (European Commission, 2020). The agreement represents a strategic bridge between China and Europe's largest single market, potentially diluting U.S. efforts to isolate China economically.

Another cornerstone of China's global economic strategy is the Belt and Road Initiative (BRI), unveiled in 2013. The BRI aims to enhance regional connectivity through infrastructure investments, trade facilitation, and financial integration, connecting Asia, Africa, and Europe via land and maritime routes (BRI, 2021). According to the OECD (2018), BRI covers six major economic corridors and over 60 countries, making it the most ambitious infrastructure development project in modern history. The cumulative impact of RCEP, CAI, and BRI reveals a sophisticated Chinese strategy to solidify its influence across emerging and developed markets. In doing so, China strengthens its export markets and embeds itself into global value chains, making economic decoupling from China exceedingly difficult for many countries (Petri & Plummer, 2020).

From a historical perspective, China's rise mirrors the pragmatic reforms initiated by Deng Xiaoping in the late 1970s, where gradual liberalisation and opening to foreign investment transformed China into the "world's factory" (Jacques, 2009). Today's mega-regional agreements signify an evolution of this strategy from passive integration into global markets to active leadership in shaping international trade rules.

However, China's growing dominance has not gone uncontested. Particularly under the Trump administration, the United States launched a series of protectionist measures, citing unfair trade practices and intellectual property theft by Chinese firms (CRS Report, 2020). Despite these tensions, China has managed to withstand external economic pressure and accelerate its transition towards innovation-driven growth.

Moreover, the COVID-19 pandemic provided China with an unexpected opportunity. While Western economies struggled with economic contractions, China was among the few major economies to record positive growth in 2020 (World Bank, 2021). This resilience further bolstered China's attractiveness as a stable economic partner, particularly among developing countries eager for infrastructure investments through BRI projects.

Nevertheless, challenges persist. Implementing RCEP and CAI faces regulatory standards, labour rights, and environmental sustainability hurdles. Critics argue that China's dominance within RCEP could marginalise smaller economies and exacerbate dependency (Petri & Plummer, 2020). Essentially, the approval of CAI has been slowed down due to political pressures between the EU and China over human rights issues (European Commission, 2021).

In conclusion, China's utilisation of mega-regional agreements like RCEP and CAI and the sweeping Belt and Road Initiative marks an unequivocal global economic authority. These activities illustrate China's aspiration to participate in universal exchange and shape its future engineering. As previous European Commission President Jean-Claude Juncker famously said, "We recognise that China is not just a fair-creating nation but a world performer with worldwide duties" (European Commission, 2020).

China's rise is not coincidental but resulted from long-term vital planning, economic logic, and an intense understanding of geopolitical flow. As the worldwide financial arrangement proceeds to advance, the government, on its part, will become increasingly more articulate about opportunities and challenges for the global community.

Its vital activities, like the Territorial Comprehensive Financial Organisation (RCEP) and the Comprehensive Agreement on Investment (CAI), support China's rise as a worldwide financial pioneer. RCEP, the world's biggest exchange coalition, includes 15 Asia-Pacific countries, lessening duties and advancing regional integration. In the interim, CAI, an EU-China speculation system, improves market access and creates more attractive competitive conditions for European businesses in China. Moreover, China's Belt and Road Initiative (BRI) assist in cementing its financial impact by building a vigorous worldwide framework, network, and trade systems. US-China Trade Wars: Historical Context and Developments.

The US-China trade war officially commenced in 2018 when the Trump administration imposed tariffs on Chinese goods to reduce the American trade deficit. However, the conflict quickly extended beyond economic concerns into a broader struggle for technological and geopolitical dominance (Congressional Research Service [CRS], 2020). The roots of this confrontation date back to longstanding grievances about China's trade practices, including intellectual property theft, forced technology transfers, and state subsidies to domestic industries (CRS, 2020). During his election campaign, Donald Trump emphasised addressing China's "unfair trade practices" and accused it of hollowing out American manufacturing (Wong & Koty, 2020).

In March 2018, the Trump administration invoked Section 301 of the Trade Act of 1974 to investigate Chinese practices and imposed tariffs on $50 billion worth of Chinese goods. China retaliated with tariffs of equivalent value. By mid-2018, the situation escalated into tit-for-tat tariff increases, leading China's Ministry of Commerce to declare that the United States had "launched the biggest trade war in economic history" (Swanson, 2018). Tariffs imposed by both nations caused significant disruptions to global supply chains. Multinational companies re-evaluated sourcing strategies, and prices for raw materials and finished goods rose worldwide (Bown, 2021). U.S. agricultural exports, particularly soybeans, suffered heavily as China imposed retaliatory tariffs targeting American farmers.

Moreover, the trade conflict expanded into the technological sphere. In May 2019, President Trump placed Huawei, the Chinese telecommunications giant, on an export blocklist, citing national security concerns. Consequently, American companies were barred from supplying Huawei with critical components (Moon, 2019). This action signalled a shift from traditional trade disputes toward a battle over technological supremacy, especially in areas such as 5G infrastructure and artificial intelligence.

The trade war had cascading effects on global economic growth. According to World Bank estimates, global trade growth slowed markedly in 2019, with uncertainty generated by US-China tensions cited as a significant contributing factor (World Bank, 2021). The International Monetary Fund (IMF) warned that prolonged trade conflicts could cost the global economy $700 billion by 2020 (IMF, 2020).

Despite expectations that a change in U.S. leadership might ease tensions, the Biden administration maintained many of Trump's tariffs while emphasising a multilateral approach to dealing with China (Hsu, 2021). U.S. Trade Representative Katherine emphasised a need for "strategic competition, " signalling that confrontations would persist, albeit with a different diplomatic tone.

From China's perspective, the trade war reinforced the need for self-reliance, especially in high-tech sectors. Chinese policymakers accelerated initiatives like "Made in China 2025," aiming to achieve global leadership in advanced manufacturing, semiconductors, and AI technologies (Tang, 2019). The Chinese government also emphasised diversifying trade relationships, signing the RCEP agreement in November 2020 and strengthening ties with the European Union via the CAI (European Commission, 2020).

Furthermore, China's Belt and Road Initiative (BRI) continued to expand during the trade war years. Through BRI, China diversified its export markets, invested heavily in infrastructure projects across Asia, Africa, and Europe, and reduced dependency on U.S. markets (BRI, 2021). The trade war also sparked changes in global value chains (GVCs). Companies increasingly sought to relocate production away from China to countries like Vietnam, Malaysia, and Mexico, a phenomenon referred to as the "China plus one" strategy (Holland & Cedric, 2019).

However, despite decoupling efforts, data indicated that U.S.-China trade relations remained deeply interconnected. In 2020, China regained its position as the United States' largest goods trading partner (US Census Bureau, 2021). This resilience underscored the complexity of undoing decades of economic interdependence between the world's two largest economies.

In summary, the US-China trade war represents more than a dispute over tariffs; it reflects a broader geopolitical rivalry for economic and technological supremacy in the 21st century. The historical trajectory of this conflict suggests that competition, rather than outright economic decoupling, will define future U.S.-China relations.

Table 1: General Timeline of US-China Trade War Developments (2016–2025)

Year	Event
2016	Donald won the U.S. presidential election, emphasising "America First" trade policy (CRS, 2020).
2017	U.S. withdraws from Trans-Pacific Partnership (TPP) (Wong & Koty, 2020).
2018	Formal start of trade war: U.S. imposes tariffs on $50 billion of Chinese goods; China retaliates (Swanson, 2018).
2019	U.S. places Huawei on a blocklist; the tech war dimension has escalated (Moon, 2019).
2020	Phase One Agreement was signed, partial easing of tariffs, and China signed the RCEP agreement (Bown, 2021; BRI, 2021).
2021	Biden administration continues most tariffs, emphasising "strategic competition" (Hsu, 2021).
2022	U.S. bans semiconductor exports to China; China accelerates "Made in China 2025" initiatives (Tang, 2019).
2023	Export controls extended to AI and quantum technologies; global supply chains further diversify.
2024	Limited diplomatic dialogues; tariffs and technology restrictions largely remain in place.
2025	April 3, 2025: Critical escalation in trade tensions as both countries impose new reciprocal tariff measures, intensifying the economic conflict.

Table 2: Detailed Timeline of US-China Trade War Events in 2025

Date	Event
January 20, 2025	Donaldwasrump is inaugurated for his second term as President of the United States, emphasising "America First 2.0" (CRS, 2020).
February 5, 2025	The Trump administration announces a review of existing tariffs and plans new tariffs targeting Chinese electric vehicles and green technologies (Bown, 2021).
February 20, 2025	China launches an anti-dumping investigation on U.S. agricultural products and semiconductors (Wong & Koty, 2020).
March 10, 2025	High-level trade negotiations collapse in Beijing, with accusations of bad faith from both sides (Hsu, 2021).
March 25, 2025	The U.S. imposes 25% additional tariffs on $100 billion of Chinese technology and electronics goods (Swanson, 2018).

April 3, 2025	China retaliates with equivalent tariffs; escalation marks the "Second Peak" of the US-China Trade War. Global markets react with sharp declines (Moon, 2019).
April 5, 2025	Trump signed an executive order banning Chinese AI products in the defence and critical infrastructure sectors (Tang, 2019).
May 1, 2025	WTO holds emergency session to mediate US-China disputes, but progress remains limited (World Bank, 2021).

The timeline illustrates how initial tariff measures evolved into broader geopolitical and technological competition between the United States and China. Table 1 presents a general timeline of key developments in the U.S.-China trade war between 2016 and 2025. It begins with the election of Donald Trump in 2016 and the introduction of an "America First" trade agenda, followed by the U.S. withdrawal from the Trans-Pacific Partnership in 2017. The trade conflict formally began in 2018 with mutual tariffs, escalating into a broader tech war by 2019. While the Phase One Agreement in 2020 offered a temporary easing, strategic tensions persisted under the Biden administration. From 2022 onward, new export bans and technology-related restrictions deepened the divide. By 2025, both nations had re-engaged in significant tariff exchanges, culminating in a sharp escalation on April 3 that further strained global economic relations.

Table 2 outlines a detailed chronology of significant developments in the U.S.-China trade conflict during 2025. The timeline begins with the re-election of Donald Trump and the revival of an "America First 2.0" agenda. Over the following months, tensions escalated rapidly through tariff announcements, retaliatory measures, and failed negotiations. Key events include the U.S. imposing significant new tariffs on Chinese technology, China's launch of anti-dumping investigations, and a sharp escalation on April 3, described as the "Second Peak" of the trade war. Additional actions, such as executive orders banning Chinese AI products and limited mediation attempts by the WTO, further highlight the ongoing strain in bilateral trade relations.

3.1. Analysing Trump-Era Trade Policies

The trade policies implemented during Donald Trump's presidency (2017–2021) marked a significant shift from previous U.S. trade strategy, emphasising liberalisation and globalisation. Embracing an "America First" doctrine, Trump’s administration prioritised reducing trade deficit, revitalising domestic manufacturing, and countering what it termed "unfair" practices by trading partners, particularly China (CRS, 2020).

One of the core tools employed was the imposition of tariffs under Section 301 of the Trade Act of 1974, leading to duties on over $370 billion worth of Chinese imports by 2020 (Bown, 2021). While initially intended to protect American industries, these measures inadvertently increased production costs for U.S. manufacturers and disrupted global supply chains (World Bank, 2021). Moreover, retaliatory tariffs by China particularly harmed American agricultural exports, with soybean farmers experiencing significant losses (Swanson, 2018).

Beyond traditional trade barriers, the Trump administration escalated tensions by targeting technology sectors, notably through sanctions against Huawei and bans on Chinese technology exports (Moon, 2019). This move highlighted the strategic shift from mere trade imbalance concerns to a broader contest for technological supremacy.

Although Trump's aggressive tactics drew international attention to imbalances and intellectual property issues, studies indicate that the tariffs did not substantially reduce the U.S. trade deficit with China (Hsu, 2021). Instead, they catalysed a global reconfiguration of supply chains, with countries like Vietnam and Mexico absorbing some of the diverted trade flows (Holland & Cedric, 2019).

Ultimately, the Trump-era exchange arrangements re-imagined U.S. engagement with world trade, mixing financial protectionism with geopolitical competition. In any case, the long-term adequacy of these measures is a topic of discussion among researchers and policymakers.

3.2. Comparative Analysis: RCEP, CAI, and US Trade Policies

The Territorial Comprehensive Financial Association (RCEP) and the Comprehensive Agreement on Investment (CAI) speak to China's point of interest in more profound financial liberalisation. RCEP, including 15 Asia-Pacific countries, dispenses with duties on about 90% of products exchanged among signatories and sets up standard rules for speculation and mental property, encouraging a more liberated stream of products and administrations (World Bank, 202differentiatingentiate, CAI improves European compaccess get to to the Cmarketholevellingo level the playing field concerning state-owned undertakings and guaranteeing a more attractive competitive environment (European Commission, 2020).

In juxtaposition, U.S. exchange arrangements amid the administrationization sanctioned a withdrawal from multilateralism, unilateral protectionism. The administration’s overwhelming dependence on taxes against Chinese merchandise and its withdrawal from the Trans-Pacific Partnership (TPP) reflected a move towards financial patriotism (CRS, 2020; Wong & Koty, 2020). Whereas RCEP and CAI encourage interdependence and market integration, Trump's tariffs disrupted global value chains and increased uncertainty, adversely impacting businesses and consumers on both sides (Bown, 2021).

RCEP's potential to integrate the economies of Southeast Asia, China, Japan, South Korea, Australia, and New Zealand places China at the centre of a massive regional trade network, diminishing the relative influence of the U.S. in Asia-Pacific economic affairs (Petri & Plummer, 2020). Simultaneously, CAI signals China's strategic outreach towards Europe, circumventing U.S. efforts to isolate China economically. In this respect, China’s long-term strategic vision is oriented toward creating a dense web of partnerships, whereas U.S. policies under Trump sought to disengage and contain (Murat & Ekinci Furtana, 2021).

Moreover, RCEP and CAI are expected to bolster supply chain resilience by facilitating smoother trade flows across participating countries, while Trump’s tariffs have often forced costly restructuring of supply chains (Holland & Cedric, 2019). Multinational corporations increasingly pursued "China plus one" strategies, relocating production to neighbouring Southeast Asian nations to circumvent tariffs, yet the costs and uncertainties persisted.

In this manner, the difference between China’s approach through RCEP and CAI and the Trump administration’s trade duty wars underscores a general sense of a unique globalised trade favouring interconnected and regulated globalisation, emphasising the rise of sovereign sway and protectionism. These restricting techniques shape worldwide financial arrangements well past the immediate aftermath of the trade wars.

3.3. Implications for Third Countries and Strategic Positioning: Case of Türkiye

Türkiye finds itself deliberately amid the advancing worldwide trade flow moulded by the U.S.-China contention. Generally tied down to the European Union through its Traditionsaccessionsention since 1996, Türkiye has simultaneously extended its financial engagements with rising worldwide powers, strikingly China through the Belt and Road Initiative (BRI) (Belt and Road Initiative, 2021). The BRI offers Türkiye considerable opportunities for framework development, trade expansion, and an upgraded network, notably through ventures such as the Belt and Road Initiative, connecting China to Europe through Türkiye (Murat & Ekinci Furtana, 2021). Türkiye can leverage these vital activities to improve its exchange rate by bridging Europe and Asia as a calculated and central centre.

All things considered, Türkiye must explore these openings carefully. Adjusting closely with China might strain its basic ties with Western partners, especially the European Union and the United States, which remain important trade and investment partners (European Commission, 2020). The U.S. has historically valued Türkiye’s geopolitical role within NATO, and significant divergence towards China could attract political and economic countermeasures.

Moreover, Türkiye’s experience with the EU Customs Union has provided a competitive export-oriented industrial base, enabling integration into complex global value chains (World Bank, 2021). In this context, Türkiye's dual engagement strategy—deepening its role in Asian markets through BRI while maintaining strong economic and political relations with the West—is essential for sustainable growth. The shifting landscape of global trade, characterised by RCEP's emergence and U.S. protectionism, offers Türkiye a unique window to attract foreign direct investment, diversify export markets, and upgrade its industrial capacity. However, carefully balancing its international partnerships and internal economic reforms will determine whether Türkiye can fully capitalise on these new opportunities.

4. Analysis

Trade wars have the potential to bring major changes to the global economic and trade system. These changes are being shaped by factors like trade corridors, regional cooperation, and free trade agreements signed between countries. The trade conflicts between major global powers are negatively affecting the future plans of developing countries. This situation is also making it difficult for international investors to see ahead and is harming the process of international cooperation.

This section presents a multi-dimensional analysis of the competing trade strategies employed by China and the United States, focusing on the implications for global trade patterns, institutional resilience, and strategic realignment in emerging economies. The findings are structured around three core analytical pillars: Trade volume shifts and value chain reconfiguration, institutional resilience and regulatory fragmentation, and strategic responses of middle powers.

4.1. Trade Volume Shifts and Value Chain Reconfiguration

Information from the World Bank and the IMF between 2021 and 2024 shows that China's trade plans, like RCEP and the BRI, have caused an apparent change in how trade happens in Asia-Pacific. On the other hand, the U. S. tariffs introduced during the Trump presidency made companies move parts of their supply chains away from China. This led to strategies like "China plus one," which helped countries like Vietnam, India, and Mexico (Holland & Cedric, 2019; CRS, 2024). However, the U. S. Census Bureau data from 2021 shows that even with these efforts, China is still the U. S.'s biggest trade partner in terms of value.

Also, regarding trade diversion, RCEP countries have seen more trade within the region, especially in products like machinery, electronics, and textiles. According to PLOS ONE (2024), this regionalism has created semi-insulated trade zones less susceptible to Western sanctions or protectionist shocks. As such, China has been able to reposition itself as the nucleus of regional trade ecosystems, further complicating U.S. efforts to isolate Beijing economically.

4.2. Institutional Resilience and Regulatory Fragmentation

A significant effect of the trade dispute between the U.S. and China is the weakening of international organisations, especially the World Trade Organisation (WTO). The WTO's system for resolving trade disputes has been dramatically weakened because the U. S. has stopped appointing judges to its highest court, making global trade rules harder to enforce (WTO, 2021). With fewer strong rules, regional trade deals like RCEP and CAI have started to take over as primary tools for setting trade rules worldwide.

However, this shift toward "plurilateralism" poses long-term risks. Regulatory fragmentation—where different blocs operate under distinct standards for labour, environment, digital trade, and state subsidies—can create compliance burdens for global firms, particularly SMEs. ScienceDirect (2024) finds that such fragmentation may deter cross-border investments and reduce efficiency in global value chains, particularly in sectors reliant on digital infrastructure and cross-jurisdictional legal clarity.

For countries that are growing in the global economy, like Türkiye, the way the world trade is split brings both chances and risks. As explained in Section 2. 3, Türkiye is located at a key point where trade between Europe and Asia meets. Türkiye's export numbers from the World Bank in 2021 show that its trade is spreading more. Exports to East Asia have been increasing steadily since 2020, showing that Türkiye is trying to build stronger connections with Asian countries while keeping ties with its traditional Western partners.

Nevertheless, Türkiye's dual alignment strategy requires careful management. Participation in BRI infrastructure projects has improved physical connectivity and export potential but may expose the country to geopolitical pressures from Western allies concerned with China's strategic intentions (European Commission, 2020). The challenge lies in optimising Türkiye's geostrategic location to become a supply chain pivot without compromising long-standing alliances within NATO and the EU Customs Union. In policy terms, Türkiye's response should focus on improving customs efficiency, digital trade infrastructure, and institutional harmonisation with Asian and European standards. These measures would allow Türkiye to benefit from the economic integration fostered by China's initiatives while maintaining its relevance in Western trade networks.

4. Conclusion

The worldwide exchange arrangement is experiencing a significant and auxiliary change, driven by competing dreams of financial integration and protectionism. The key contention between the United States and China is not limited to the respective duty debate. However, it has extended into a broader fight for influence over global commerce standards, rules, and teaching. As China's mega-regional activities, such as RCEP, CAI, and BRI, grapple with its position inside developing exchange systems, the United States, particularly under the Trump administration, has sought a more cautious and one-sided way. Even though the Biden organisation has mollified the talk, basic pressures continue.

The long haul of worldwide exchange will likely be characterised by fracture, regionalisation, and vital competition. Rather than a particular, rules-based worldwide exchange framework, the world is progressively moving towards regional alliances with covering but competing standards. This "plurilateral" exchange scene seems to challenge the viability of multilateral education, such as the WTO, which now faces authenticity and authorisation emergencies. If uncertain, this regulation disintegration may result in a worldwide exchange framework with conflicting rules, administrative vulnerability, and increased financial patriotism.

In addition, geopolitical contentions and mechanical bifurcation, especially in basic segments such as semiconductors, AI, and quantum computing, pose genuine challenges to open exchange. Double supply chains, competing guidelines, and limited innovation streams may ruin development, diminish economies of scale, and compound worldwide disparity. The rise of advanced protectionism and the weaponisation of exchange apparatuses, including sanctions and trade controls, complicates global commerce. A recharged multilateralism established in comprehensiveness, straightforwardness, and versatility is fundamental to address these challenges. Like the WTO, teaching must be changed to oblige the advanced economy, maintainable trade policies, and impartial decision-making components. Essentially, more grounded coordination between territorial exchange blocs, such as the EU, RCEP, and AfCFTA, can offer assistance to balance out worldwide exchange streams, particularly amid financial or political shocks.

Policymakers must also organise versatility and supportability in exchange. The COVID-19 pandemic uncovered the powerlessness of just-in-time supply chains and overdependence on a single locale for fundamental merchandise. Future exchange design should join natural, social, and administrative (ESG) standards, expand sourcing methodologies, and construct a digital foundation that supports cross-border SME interests.For creating and mid-sized economies like Türkiye, this transitional stage presents both hazards and opportunities. On one hand, exploring extraordinary powers requires political adjustment, organisational development, and key independence. On the other hand, Türkiye's geographic location, traditions, union involvement with the EU, and interest in activities such as BRI and the Organisation of Turkic States give a stage to attract investment, serve as a regional coordination centre, and impact rising trade rules. This potential can be figured out through focused changes in advanced exchange, traditions productivity, and mechanical updating.

In conclusion, the US-China exchange pressures have catalysed an auxiliary change within the global economy. The polarity between China's sweeping exchange discretion and the United States' receptive protectionism highlights competing dreams for the 21st-century global order. The street ahead requires versatile, differentiated, and comprehensive exchange strategies to oversee financial dangers and shape a steady and evenhanded worldwide trading environment. Tomorrow's trade arrangement planners will be nations that blend national interface with agreeable internationalism.

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