COMMENT

Editorials

Latest tariff proposal reveals US is caught in dilemma of its own making

The United States administration's latest tariff offensive targeting 60 economies including China was greeted around the world with something unusual: a collective shrug.

That is because Washington has been signaling for months that it needs a legal substitute for the sweeping tariffs struck down by the US Supreme Court earlier this year.

The White House's temporary global tariffs — imposed under Section 301 investigations after its earlier tariffs were ruled unlawful — are due to expire next month. Allowing a gap in tariff collection would be politically costly at a time when the US' fiscal deficit remains elevated and the midterm elections loom on the horizon.

The US administration therefore has a strong incentive to keep the tariff machine running. Tariff revenues, which exceeded $31 billion per month at their peak last autumn, have already declined substantially.

The result is a curious blend of continuity and retreat.

Compared with the tariff threats that dominated headlines last year, the new rates are lower. Most major economies face either a 10 percent or 12.5 percent surcharge rather than the much steeper penalties previously contemplated. The US administration has also expanded exemptions for a wide range of agricultural commodities, industrial inputs and products that the US either cannot produce domestically or cannot produce in sufficient quantities.

Economic gravity has a habit of asserting itself, sooner or later. For all the rhetoric about reindustrialization, economic reality has imposed constraints. Inflation remains stubbornly uncomfortable for US households. Consumer prices continue to weigh on public sentiment. Manufacturers and farmers have repeatedly warned that tariffs on imported inputs raise production costs. The situation has been further complicated by renewed instability in the Middle East.

The US administration thus finds itself attempting a delicate balancing act. On the one hand, it wants to preserve the tariff barriers that "protect" select domestic industries. On the other hand, it cannot ignore the political consequences of higher prices. Even the Federal Reserve's recent warning to continue shrinking its balance sheet underscores lingering inflationary concerns.

Against this backdrop, the groundless allegations of "forced labor" made by the Office of the US Trade Representative are merely a "politically correct" pretext for the proposed tariffs to go to congressional debate next month.

Chinese Foreign Ministry spokeswoman Mao Ning reiterated that China opposes all forms of unilateral tariff measures. No one benefits from tariffs or trade wars, and economic disputes should be resolved through dialogue and consultation based on equality, respect and mutual benefit.

She also rightfully rejected allegations of "forced labor" in China and criticized attempts to use the issue as a pretext for political manipulation.

The European Union, Canada and many other trading partners of the US have voiced opposition and concerns regarding both the substance and the justification of the tariff surge. Yet they have been measured rather than alarmed in their responses. That reflects a growing recognition that Washington itself is constrained.

Protracted trade negotiations have taught some US trading partners an important lesson: tariff threats are often as much about domestic politics as international economics. The latest proposals reveal a US administration struggling to reconcile strategic ambitions with economic realities.

The deeper problem for Washington is that tariffs have gradually ceased to function as conventional economic instruments based on market law. They have become political instruments that are difficult to calibrate. Raise them too aggressively and domestic inflation, legal challenges and business opposition intensify. Apply them selectively and their coercive power diminishes. Exemptions proliferate, contradictions multiply and credibility erodes.

Durable economic relationships cannot be built on coercion. Whether the issue is market access, supply chains or labor standards, progress ultimately depends not on tariff walls but on fair competition, candid negotiation and mutually beneficial cooperation.

'De-risking' is EU's pretext for protectionism

The European Union on Wednesday unveiled its "technological sovereignty" package, which includes the Cloud and Artificial Intelligence Development Act and Chips Act 2.0. The initiative seeks to bolster Europe's technological independence by reducing reliance on foreign technology.

The chips act favors "European-made" chips and seeks to create a closed digital ecosystem, which could fragment global supply chains. The Computer and Communications Industry Association's Senior Vice-President and Head of Office Daniel Friedlaender called the cloud and AI development act "a direct recipe for fragmented discrimination across Europe in 27 different ways".

The new law would be "effectively giving national capitals carte blanche to shut out trusted global vendors from every major technology-producing nation outside the union", he warned.

The EU's focus on "technological sovereignty" reflects a trend of some EU nations moving away from free, open and fair trade toward protectionism. It will unavoidably affect relevant Chinese entities.

As Chinese Foreign Ministry spokeswoman Mao Ning noted in response to questions regarding the EU's latest move in a news conference in Beijing on Wednesday, the essence of China-EU economic and trade relations is mutual benefit and win-win cooperation.

She added that economic and trade issues should be properly resolved through dialogue and communication. Mao expressed the hope that the EU will uphold the fundamental principles of a market economy, including free trade, fair competition and open cooperation, refrain from adopting protectionist measures and remain committed to settling differences through dialogue and consultation.

The EU has in recent years introduced a series of measures as part of its "de-risking" strategy targeting China. Rejecting high-quality products and services from Chinese companies will not only result in financial losses for European countries, but also impede their own technological progress and economic growth.

Reportedly, the EU will leverage the G7 and EU summer summits to introduce new trade restriction instruments targeting China this month.

EU policymakers should understand that protectionism is not a solution to the problems that the EU is now facing, and open cooperation benefits both sides. This is because the economic and trade relations between China and the EU are deeply integrated and complementary. Disrupting these links would harm the interests of enterprises and consumers from both sides.

The latest survey report from the European Union Chamber of Commerce in China shows that a majority of the EU companies surveyed have chosen to maintain or expand their operations in China, while nearly one-third plan to further deepen their localization strategies there. This suggests that the "de-risking" narrative pushed by some EU politicians has not, in practice, become the prevailing choice among EU businesses.

At its core, China-EU economic and trade cooperation is the natural outcome of the interplay between comparative advantages and market competition. Complementary strengths do not constitute a risk, nor does the convergence of interests pose a threat, as Mao Ning said on Thursday.

Over the past five decades, the annual trade volume between China and Europe has surged more than 300-fold, while two-way mutual investment has approached $260 billion — figures that vividly demonstrate the strong momentum and vast potential of China-EU economic cooperation.

Trade protectionism runs counter to economic laws and is a self-defeating practice that harms all parties involved.

EU policymakers should view the bloc's economic and trade relations with China in an objective and rational light, and work alongside the Chinese side to narrow the list of outstanding issues, expand the scope of cooperation, and achieve win-win outcomes.

Cai Meng

Opinion Line

Classics transmission of meaning across generations

Nearly 100 Chinese scholars will attend the second World Conference of Classics in Athens on Tuesday and Wednesday. Their presence is symptomatic of a broader intellectual movement unfolding in contemporary China: the rediscovery of the classics not as relics of distant antiquity, but as part of a living tradition that is not just of relevance to contemporary China but to the world as a whole.

Increasingly, Chinese scholars are arguing that the classical thought that helped to shape the modern world should not be confined to the Greco-Roman canon alone. Chinese, Mesopotamian, Indian and other civilizations have all contributed to the long civilizational effort to confront enduring questions about human existence and society.

For much of the modern era, Western science, military technology, political institutions, and industrial systems have been the primary sources of practical knowledge; to "learn from the West" was seen as modernization. Today, however, for many Chinese classicists, engagement with Western thought is part of the effort to understand how other societies have answered the question of how to live.

In fact, classical writings are valued precisely because they ask questions that modern societies, despite their immense technological sophistication, still struggle to answer: What is the good life? What is the relationship between law and morality, individual desire and civic responsibility, personal fulfillment and collective harmony?

One reason these questions have regained urgency is the realization among intellectuals that technological progress and material development alone have not produced moral clarity or civilizational confidence. In fact, some of the greatest catastrophes of modern history emerged within highly advanced societies.

While earlier generations encountered Western civilization through the pressures of colonialism and modernization, Chinese scholars today engage with Greek and wider classical traditions grounded in China's own intellectual inheritance.

The value of comparative classical studies lies not in erasing differences, but in illuminating them. Classical Greek tragedies dramatized conflict, individual heroic endeavors and the instability of political life. Confucian thought emphasized harmony, relational ethics and moral cultivation through ritual. Comparative perspectives can open new ways of approaching both Greek antiquity and Chinese classical thought.

There is also growing recognition that civilizations understand themselves more clearly through encountering others. Odysseus, the hero of Homer's epic poem *The Odyssey*, leaves Ithaca and returns transformed through his encounters with foreign worlds. Confucius spent 14 years traveling among the competing states of his age in search of moral order and wise governance. Both traditions suggest that stepping beyond one's own world provides the distance necessary to reflect upon it more deeply.

In an increasingly fragmented global landscape marked by geopolitical rivalry, technological disruption, and ideological polarization, the classics offer something increasingly rare: long traditions of reflection on human nature, political order, moral responsibility, and the conditions of civilized life itself. They remind us that civilizations are not sustained by power or wealth alone, but by their capacity to preserve, reinterpret and transmit meaning across generations.

The gathering in Athens thus represents an emerging attempt to recover a genuinely global humanism — one grounded not in cultural uniformity, but in serious dialogue among the foundational civilizations of humanity. At a time when the world often appears divided by distrust and competing narratives, that aspiration may itself be among the most important lessons the classics still have to offer.

— ZHAO XU, CHINA DAILY

What They Say

New measures to advance dual-carbon goals

Editor's note: *Friday is the 55th World Environment Day. In April, China issued new measures to evaluate and assess the performance of local governments in advancing carbon peaking and carbon neutrality. The 21st Century Business Herald spoke to Tian Zhiyu, a researcher at the Energy Research Institute of the Chinese Academy of Macroeconomic Research, about how the measures will help China's green transformation progress. Below are excerpts of the interview. The views don't necessarily represent those of China Daily.*

China has set dual carbon goals of peaking carbon dioxide emissions before 2030 and achieving carbon neutrality before 2060. The new measures are designed to guide governments at all levels in adopting a sound approach to performance assessment, while ensuring accountability for meeting carbon reduction targets.

The measures seek to ensure effective alignment of goals and responsibilities among the central and local governments, across different regions and among various government departments.

According to the measures, a carbon peaking action plan will be formulated during the 15th Five-Year Plan (2026-30) period to achieve national targets by 2030, including reducing carbon emissions intensity by more than 65 percent from 2005 levels, increasing the share of non-fossil energy consumption to 25 percent and peaking both coal and oil consumption.

The measures' primary purpose is to promote higher-quality work in advancing the country's carbon peaking and carbon neutrality agenda.

For regions making solid progress, the focus will be on identifying successful practices and sharing valuable experiences. For those lagging behind, the priority will be to take timely corrective actions and address existing problems.

China's provinces differ significantly in terms of resource endowments, industrial structures and stages of development. Therefore, the measures place emphasis on ensuring fairness in the assessment criteria.

Local governments are required to draft their own carbon peaking action plans during the 15th Five-Year Plan period, setting five-year and annual targets as well as policy measures that align with national objectives.

Also, during the evaluation and assessment process, factors such as changes in domestic and international conditions, as well as natural and climatic circumstances, are taken into account. The assessment criteria can be adjusted and refined dynamically when necessary, maintaining a degree of policy flexibility.

For provinces that rely heavily on carbon-intensive industries and face significant transition pressures, balancing emissions reductions with economic growth remains a key challenge. A three-pronged approach can be useful here.

First, it is essential to strengthen the commitment to comprehensive green transformation. Achieving the carbon peaking and neutrality goals is not about restricting development. Rather, it is aligned with and supportive of high-quality development, delivering benefits in both the near and long term.

Second, greater emphasis should be placed on improving "carbon productivity". Reducing carbon intensity should serve as a key benchmark when planning new projects and upgrading existing ones, ensuring that every unit of carbon emissions generates the greatest possible economic value.

Third, stronger awareness of process management is needed. Achieving carbon peaking and neutrality goals cannot be left until the last minute or rely on external support. Efforts must begin now, starting with a clear understanding of current emissions profiles, identifying untapped potential for reductions and building broad-based momentum for low-carbon transformation across all sectors and industries.

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