

Forum: G20

Issue 2: The question of addressing the impact of U.S. tariffs and other trade restrictions on global economic stability and international trade cooperation

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- [WTO Trade and Tariffs Database](#)
- [IMF World Economic Outlook](#)
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- [OECD Trade Policy Reports](#)
- [G20 Official Documents](#)
- [U.S. Trade Representative \(USTR\)](#)
- [United Nations Conference on Trade and Development \(UNCTAD\)](#)

Articles

- [World Trade Organisation \(WTO\)](#)
- [International Monetary Fund \(IMF\)](#)
- [Organisation for Economic Co-operation and Development \(OECD\)](#)
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Key Terms

Tariff: A tax imposed on imported goods.

Trade Restriction: Any government policy that limits international trade, including tariffs, quotas, sanctions, export controls, and subsidies.

Protectionism: Economic policies designed to protect domestic industries from foreign competition.

Free Trade: International trade conducted with minimal government barriers.

Trade War: A situation where countries impose retaliatory trade restrictions against one another.

Export Controls: Government restrictions on the export of specific goods, technologies, or services.

Supply Chain: The network involved in producing and distributing goods Globally.

Trade Diversion: The shifting of trade flows from one country to another due to tariffs or other restrictions.

Nearshoring: Relocating production closer to the final market.

Friend-Shoring: Moving supply chains to politically allied countries.

Economic Fragmentation: The division of the global economy into competing economic blocs.

World Trade Organization (WTO): The international organization responsible for regulating global trade and resolving trade disputes.

Overview

Introduction

Since World War II, institutions like the GATT and WTO have, in their own way, shifted free trade and global economic growth forward by lowering trade barriers. Yet, the international trading setup is now getting more and more pressure, from U.S. tariffs, export controls, sanctions, and investment restrictions, especially those aimed at China. These actions are often defended with national security in mind, along with “protection of domestic industries” and the desire to push back against so-called unfair trade Practices.

Critics say that all of this confuses supply chains, worsens inflation, and ends up weakening the rules based trading system. Supporters, on the other hand, see them as the same steps as basically required to safeguard strategic sectors and critical technologies. Meanwhile, US vs China competition keeps rising, post COVID supply chain restructuring is changing how firms operate, and geopolitical friction (e.g. such as the Russia-Ukraine War) has made the

whole matter feel even more urgent. So, the G20 has to compromise between national economic interests with the need to keep global economic stability, while also sustaining international trade collaboration.

Historical Background

Creation of the Modern Trading System (1947 — 1995): Following World War II, the GATT was established in 1947 to reduce trade barriers and encourage international cooperation. This system later became the WTO in 1995.

US – China Economic Integration (2001): China joined the WTO in 2001, leading to rapid growth in global trade. Trade between the United States and China expanded significantly, making them the world's two largest trading partners.

US vs China Trade War (2018 – 2020): In 2018, the United States imposed tariffs on billions of dollars of Chinese imports, due to intellectual property concerns, trade imbalances, and industrial subsidies. China responded with tariffs on American products.

Expansion of Export Controls (2022 – Present): Beginning in 2022, the United States expanded restrictions on exports of advanced semiconductors, artificial intelligence technologies, and related equipment to China. China responded with restrictions on exports of critical minerals and rare earth materials.

Renewed Tariff Escalation (2025): In 2025, the United States sharply increased tariffs on Chinese imports, causing significant disruptions to global trade. Average US effective tariff rates rose to levels not seen in decades before being partially reduced through subsequent agreements. (McKinsey & Company)

Current Situation

The global trading environment remains uncertain due to ongoing US tariffs and export controls, particularly on China. Although some tariffs were temporarily reduced in 2025, many remain in place and negotiations continue. In response, China has imposed export controls on critical minerals, raising concerns about supply chain security.

The WTO warns that rising trade barriers and economic fragmentation could slow global trade growth and reduce business confidence. Meanwhile, many countries are adopting friend-shoring and nearshoring strategies to improve resilience, though some argue that this could divide the global economy into competing blocs. The G20 must therefore balance economic security with maintaining an open and interconnected trading system.

Recent Geopolitical Developments

US vs China Tariff Truce (2025): Following significant tariff escalation, both countries agreed to reduce tariffs for 90 days while negotiations continue. Although tensions eased, many tariffs remained in place.

Critical Minerals Dispute: China's export limitations on rare earth minerals have been raising concerns about supply chain safety in advanced manufacturing and defense sectors around the world, because the flow of those materials can slow down or get complicated.

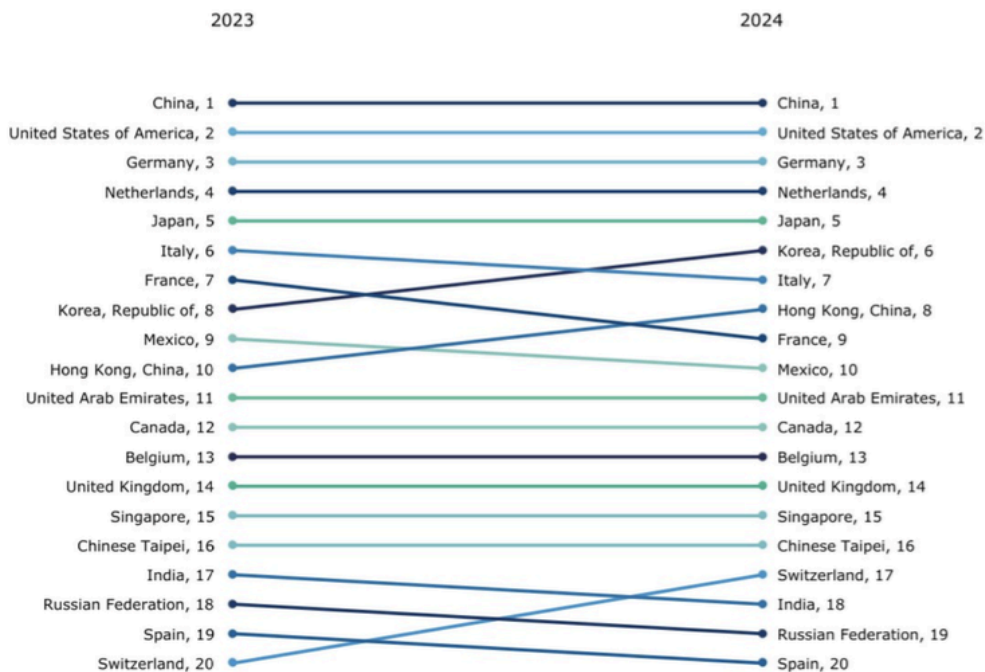
AI and Semiconductor Competition: Export controls on advanced chips and AI-related technologies have turned into significant pieces in the US vs China strategic rivalry, affecting both the economic side and security policies.

Russia vs Ukraine War: That conflict has sped things up for many countries, pushing them to diversify supply chains, and reduce economic dependence on geopolitical rivals.

EU and U.S. Trade Negotiations (2026): Lately there have been some agreements between the EU and the United States that were meant to stop a wider tariff conflict and keep things economically steady.

Statistics & Infographics

Chart 4
Top 20 rankings in world merchandise trade
Exports 2023 vs 2024



Timeline

1947	General Agreement on Tariffs and Trade established
1995	World Trade Organization created
2001	China joins the WTO
2018	US vs China trade war begins
2020	COVID-19 exposes vulnerabilities in global supply chains
2022	US expands semiconductor export controls on China
2022	Russia-Ukraine War intensifies economic fragmentation
2025	Major escalation of US vs China tariff measures
2025	US and China agree to temporary 90-day tariff reductions during negotiations
2026	Continued concerns over critical mineral supply chains and technology restrictions

Major Parties

USA– The US argues that tariffs and export controls are necessary to protect national security, strengthen domestic manufacturing, reduce dependence on strategic competitors, and address unfair trade practices. The US particularly emphasizes semiconductor technology, artificial intelligence, and critical supply chains.

People's Republic of China– China opposes unilateral tariffs and export restrictions, arguing they violate WTO principles and disrupt global trade. They're calling for countries to work together instead of pulling apart economically. China has also implemented countermeasures including restrictions on exports of critical minerals.

European Union – The EU generally supports open trade and WTO reform while seeking greater strategic autonomy. European governments have expressed concerns about both US protectionism and China's industrial policies. Recent negotiations have focused on avoiding further tariff escalation with the US.

India – India is trying to balance the protection of domestic industries with the chance to grow in international trade as well. Lately it has leaned into being an alternative manufacturing hub, because many companies are looking past China and moving their supply chains elsewhere.

Japan and South Korea– These countries support free trade but are also aligned with US's security objectives, specifically regarding advanced technology exports (e.g. chips).

United Nations and World Trade Organization– The WTO preserves the rules-based trading system and provides methods of resolving trade disputes. However, its effectiveness has been in question.

Key Topics to Debate

1. To what extent are tariffs an effective tool for protecting domestic Industries?
2. How can countries balance national security concerns with commitments to free trade?
3. Should the WTO be given greater authority to resolve trade disputes involving major powers?
4. How can G20 members prevent economic fragmentation and the creation of rival trade blocs?
5. What measures can be taken to improve supply chain resilience without undermining international cooperation?
6. Should export controls on advanced technologies be subject to greater international oversight?
7. How can developing economies avoid becoming collateral damage in trade disputes between major powers?
8. What role should the G20 play in promoting stable and predictable global trade rules?

Possible Solutions

Possible solutions include strengthening international trade rules by giving the WTO more power to settle trade disputes fairly and setting clear limits on what qualifies as a "national security" tariff so it cannot be used to justify unnecessary trade restrictions or protectionist policies. Supply chains could also be made more resilient by encouraging countries to share critical minerals and resources instead of hoarding them, while helping nations diversify their trading partners so they are not overly dependent on a single country. Smaller and developing countries should be supported through financial assistance for those affected by trade wars between major powers and by promoting countries such as India as alternative manufacturing hubs to ensure smoother shifts in global trade. In addition, tensions could be reduced by making temporary tariff truces, such as the 2025 US–China agreement, a standard diplomatic tool and creating a shared, trusted source of tariff data, such as a WTO–IMF Tariff Tracker, to improve transparency. Finally, countries should agree on clear international rules for technology and export restrictions, including AI and semiconductors, to prevent these measures from escalating into wider trade conflicts.

Committee Objective

The aim of the G20 committee at RCMUN 2026 is to discuss the issue of reducing global dependence on Chinese manufacturing and restructuring international supply chains. By noting major parties, possible outcomes and effects, and impact of this issue, the committee hopes to develop long-lasting solutions that all nations can benefit and agree upon. To fulfill this goal, nations should look at existing trade systems, economic policies, and multilateral agreements, while also working towards new strategies, rules, and frameworks for the future. The overall aim is to build a more resilient and balanced global trading system.

Sources

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Nearly Unobtainable from China.

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Conflict.

Reuters (2026) US and EU Near Deadline on \$11.5 Billion Tariffs in
Aircraft Dispute.

World Trade Organization (WTO) Official Publications.

→ Here you can find annual reports on world trade

United Nations Conference on Trade and Development (UNCTAD)
Trade and Development Reports.