

# China and America The Great Decoupling?



# What Caused the Trade War: Trade Deficit?

US goods trade deficit  
12-month moving sum, \$ bn

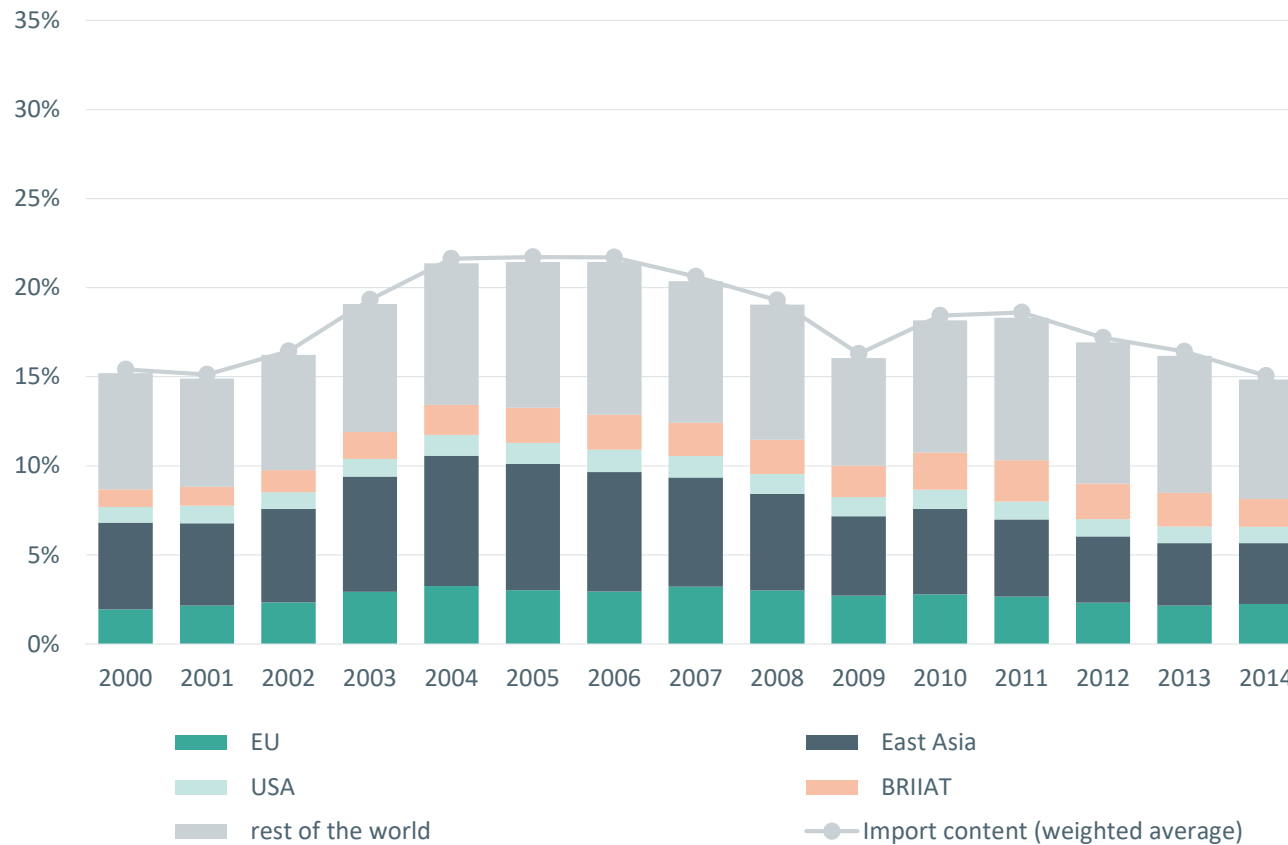




# From Trade War to Tech War: Made in China 2025

## China has risen up the value added chain

Total import content of Chinese goods and services by region

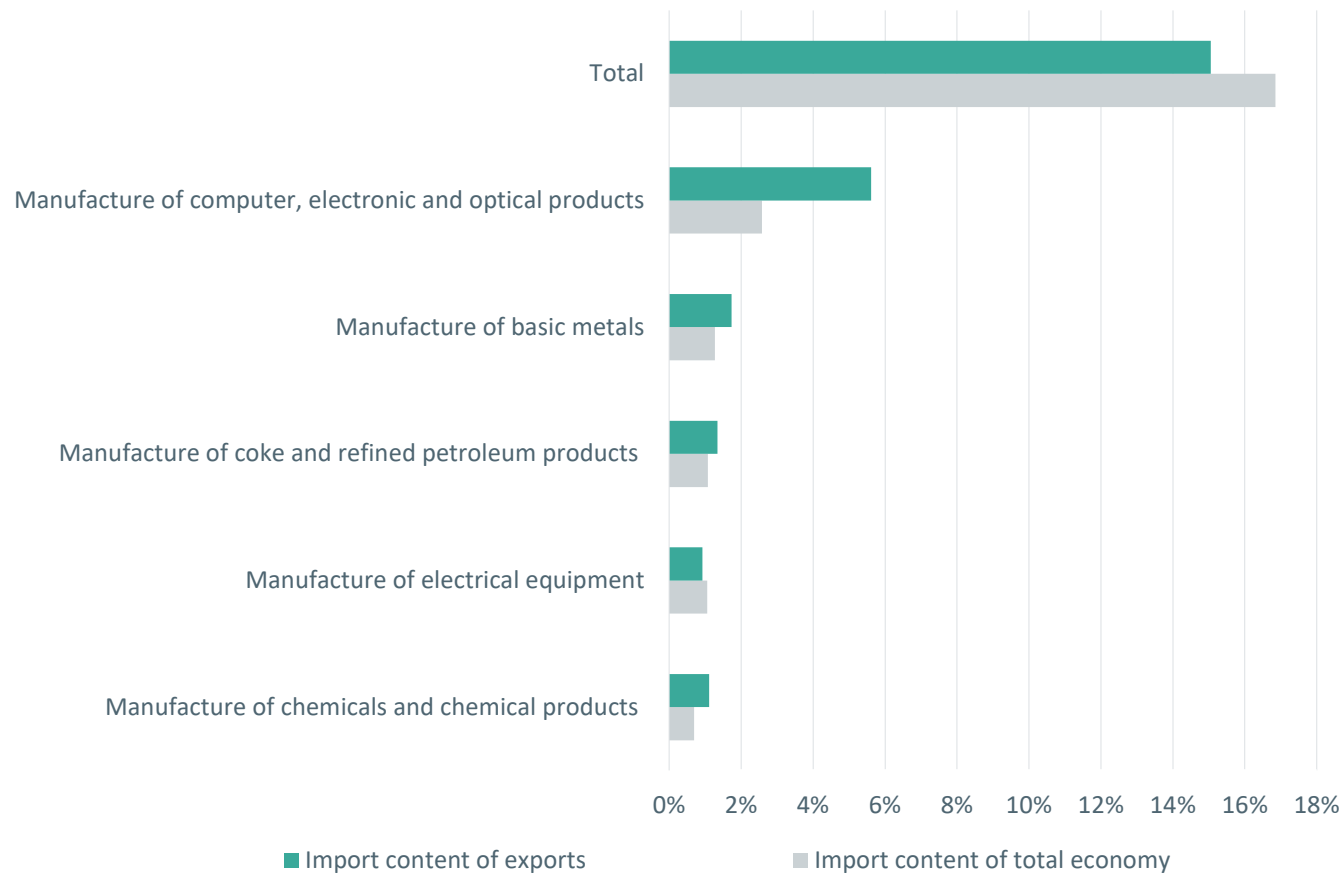


Source: Enodo Economics, OECD



# Electronics Have the Highest Foreign Content

China's top five industrial sectors with the highest share of imported content in 2014



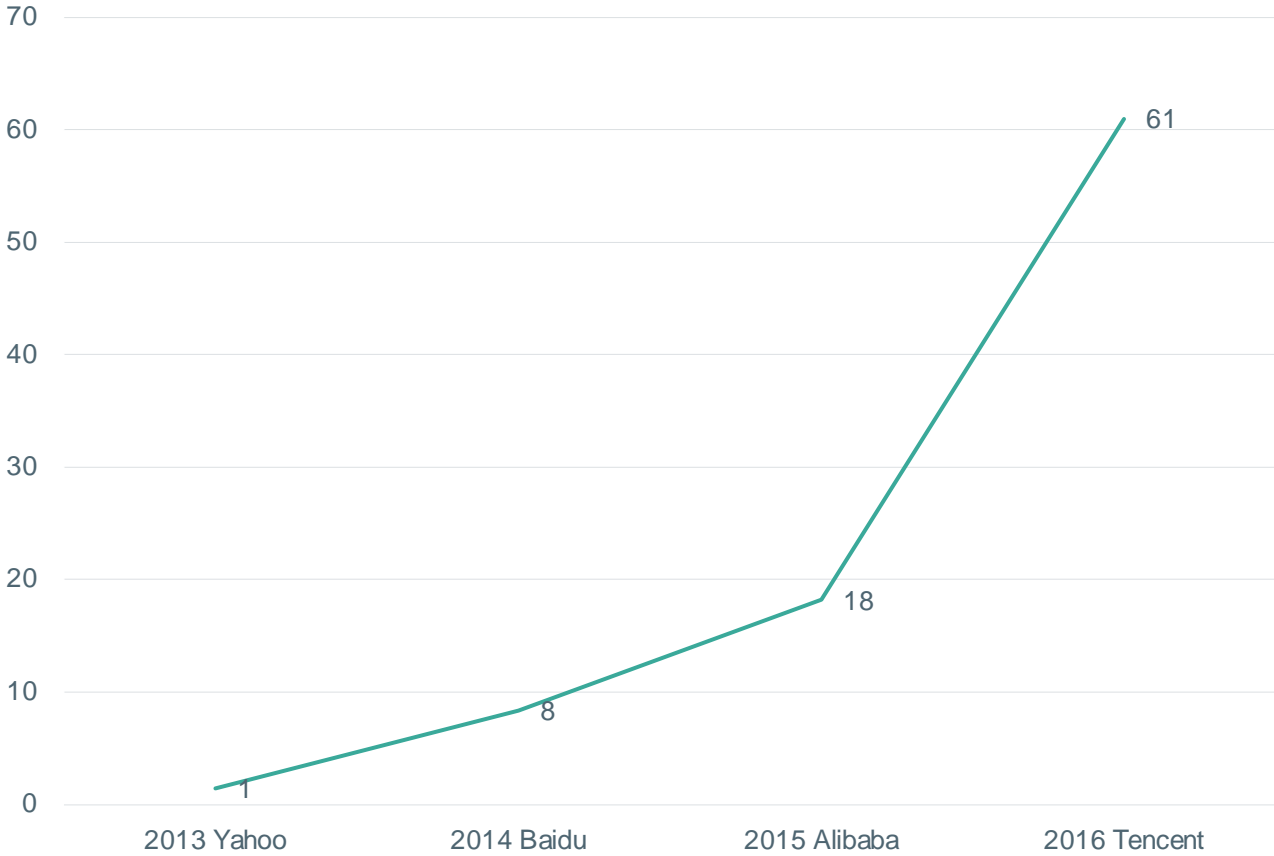
Source: Enodo Economics, OECD



# China's Technological Advance Threatens the US

## Evolution of world record in computing power

TB processed in one minute

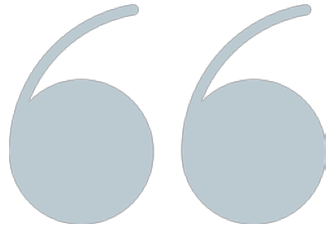


Source: Enodo Economics, OECD



## China's Ultimate Red Line: Taiwan

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As democracies in the Indo-Pacific, Singapore, **Taiwan**, New Zealand, and Mongolia are reliable, capable, and natural partners of the United States. All four **countries** contribute to U.S. missions around the world and are actively taking steps to uphold a free and open international order.”

Indo-Pacific Strategy Report, June 2019

U.S. Department of Defence

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Registered office address: International House, 24 Holborn Viaduct,  
City of London, EC1A 2BN

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