



Dreamers & Innovators is a knowledge and skill-building platform for 21st century learners. We aspire, design and execute interactive learning experiences where global knowledge relevant to today and tomorrow is brought to young Dreamers. At D&I, 21st century skills are honed, confident communication is developed and independent, informed opinions are nourished.

April 2025 is marked at D&I with a focus on **Current Affairs**, spotlighting the USA-China tariff tussle, and culminating in a series of engaging quizzes and activities rolled out by Dreamers and Innovators.



“MAKE AMERICA GREAT AGAIN” : TRUMP’S STRATEGY BEHIND THE SLOGAN

By: Ayra Kapur, 13 years

When Donald Trump became president, he aimed to “Make America Great Again.” This slogan implied that the US needed improvement, and one way that could be done was by addressing the trade deficit, which Trump believed was largely due to the imbalance between imports and exports. The trade deficit for the US had been rising, and evidently, from China’s perspective, its trade surplus had been constantly increasing. To counter this imbalance, Trump decided to impose tariffs on goods entering the US from other countries (specifically imports from China). As tariffs increase, the US government gains more revenue, but consumers have to bear the burden of higher prices.

Today, we are witnessing a trade war between the US and China. The US initially imposed a 10% tariff on all Chinese imports. China retaliated, and thus the trade war began. Trump’s strategy was to encourage companies to start producing goods within the US, thereby creating more domestic jobs. However, the supply chain could get affected, as many US-based companies have factories in China, which would suffer too. All of this could result in inflation, leading to a decline in the US’s GDP, reduced economic growth, and subsequently, a recession.



US-CHINA TARIFF: HOW CAN TARIFFS LEAD TO RECESSIONS ?

By: Rynna Kalra, 12 years

If the tariffs of a country are high, then the cost of the products of that country will increase. If this happens, then the people will not have enough money to spend on stuff other than essentials. Because of this, the demand for products will go down, and the earnings of the companies and businesses will suffer. GDP will thus start decreasing and if after a period of six months or more it continues, this will therefore lead to recession.



DOUBLE-EDGED SWORD

By: Rohan Tikku, 10 years

There are a lot of disadvantages and advantages because when the USA put 145% tariffs on China, it created a trade war. This trade war started because Trump realized local companies were suffering because people started buying from outside. So, Trump put a tariff on China like all other countries — a 145% tariff. So, China also put a 125% tariff on the USA.

So, the advantages are that the USA would get more profit because when people see that Chinese products have risen in price, they will buy more American products because they are cheaper. But the disadvantages are that if there’s no competition, then people who sell at cheaper prices can increase their prices. These are the advantages and disadvantages of putting tariffs.



TARIFFS AND INTERNATIONAL TURMOIL

By: Ruben Sharma, 15 years

A trade war happens when countries start putting extra taxes, called tariffs, on imports to protect their own industries. This may seem like a good idea at first, and in some cases, it actually can be. Tariffs help local businesses by making imported goods more expensive. People then buy more locally made products, which supports industries and creates jobs. Tariffs can also protect small or growing businesses that aren’t ready to compete globally. Sometimes, countries use tariffs to push others into changing unfair trade practices.

However, if a trade war goes too far, it often creates bigger problems. Expensive imports mean people and companies buy less. Businesses that rely on exports or foreign materials lose money. To cope, they reduce production or lay off workers, leading to job losses and less spending.

At the same time, companies and investors grow uncertain, delaying investments and hiring. As trade slows, unemployment rises and demand drops. This can push the economy into a recession. So, while tariffs can help short-term, a trade war often harms global trade and slows economic growth.



TRUMP TARIFF

By: Samaira Bansal, 12 years

Increase in tariff means increase in the taxes on imported goods. This means that the prices of the products will increase. This means that the spending of the people will decrease as people won’t like to buy goods which are expensive. The demand of the stuff goes down. The earning of that specific company will also decrease. This leads to the GDP of the company to decrease. This leads to a higher risk of recession in the country.



CAN TARIFFS SPARK U.S. RECESSION?

By: Vivaan Gupta, 12 years

Tariffs are risky. They, in general, raise the price of everyday goods, as companies pass on the high import costs to the consumers. This has a magnifying effect as it reduces the entry of foreign companies. They don’t want to enter the market as it is not a very feasible investment option.

This, in turn, leads to fewer options and reduced reliability of products in the country levying higher tariffs, like America.

Does having more tariffs imply fairness in trade policies? No, this will not only reduce imports but exports too, as reciprocal tariffs will be levied by other countries. Both imports and exports will go down. Other nations will shift their supply chains to other countries to avoid high tariffs. This would only result in a reduction of trade with America.

Hence, recession looms large for America in the wake of increased tariffs.