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***EDC***  
***Chair Report***  
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# VIMUN 2.0 ECONOMIC DEVELOPMENT COUNCIL

## *Chair Report*

### **“The US-China Trade War”**

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#### **Meet the Secretariat**

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##### **Secretary General- Abbas Akbari**

Welcome to the Economic Development Council! My name is Abbas Akbari, Secretary General of VIMUN and of the EDC. I am 17 years old and I am in my final year of school. Initially, I was not interested in Model United Nations due to the complications within politics. However, as I grew, I realised the importance as well as beauty of politics, which was: countries or political parties meet to debate on issues, but when it comes to cooperation, politics does not fail to amuse me. We are currently living in unprecedented times and we cannot continue living our lives oblivious to the world and its sorrows. Consequently, I decided to lay the foundations of VIMUN; to not only diversify my skill palette, but to also provide everyone with a comfortable and safe platform to practice their MUN skills during the pandemic. I will be leading the Secretariat of the Security Council and I hope I can live up to your expectations. I wish you the best of luck and hope you have a fruitful MUN experience!

##### **Chair- Iman Bhat**

Hello, my name is Iman Bhat! I was born and raised in the United States, however, my parents are originally from Kashmir. I have followed international political conflicts for years which has got me interested in politics and pursuing this ambition, I decided to join the Model United Nations club. This is my fourth year in MUN and this will be my 17th conference. I truly enjoy discussing political conflicts and issues that could and are immensely impacting our world today. It's an honor to be chairing the Economic Development Council of VIMUN for the first time. I believe that this new council will help minimize any economical crisis

we are facing today. I really hope that all the delegates will have a fruitful debate when addressing The US-China Trade War.

**Chair- Abdulaziz Althukair**

Hello! My name is Abdulaziz Althukair and I will be your chair for the VIMUN Summer Economic Development Council Conference. We will be discussing The US-China Trade War this conference and I am very excited to see what you will all be able to create and take out of this debate. I am from Saudi Arabia and am a rising junior in the American International School of Riyadh, of which I am also a veteran member of the MUN club, joining it roughly 5 years ago now. I have attended 9 conferences, 2 of which have been international and 2 of which I have chaired. I have had much experience in MUN and am very grateful for the skill that I've gained over the years, now being able to chair in the second VIMUN Conference. I've been looking for something fun and productive to do over the summer and I am more than excited to be a part of this!

## Committee Introduction

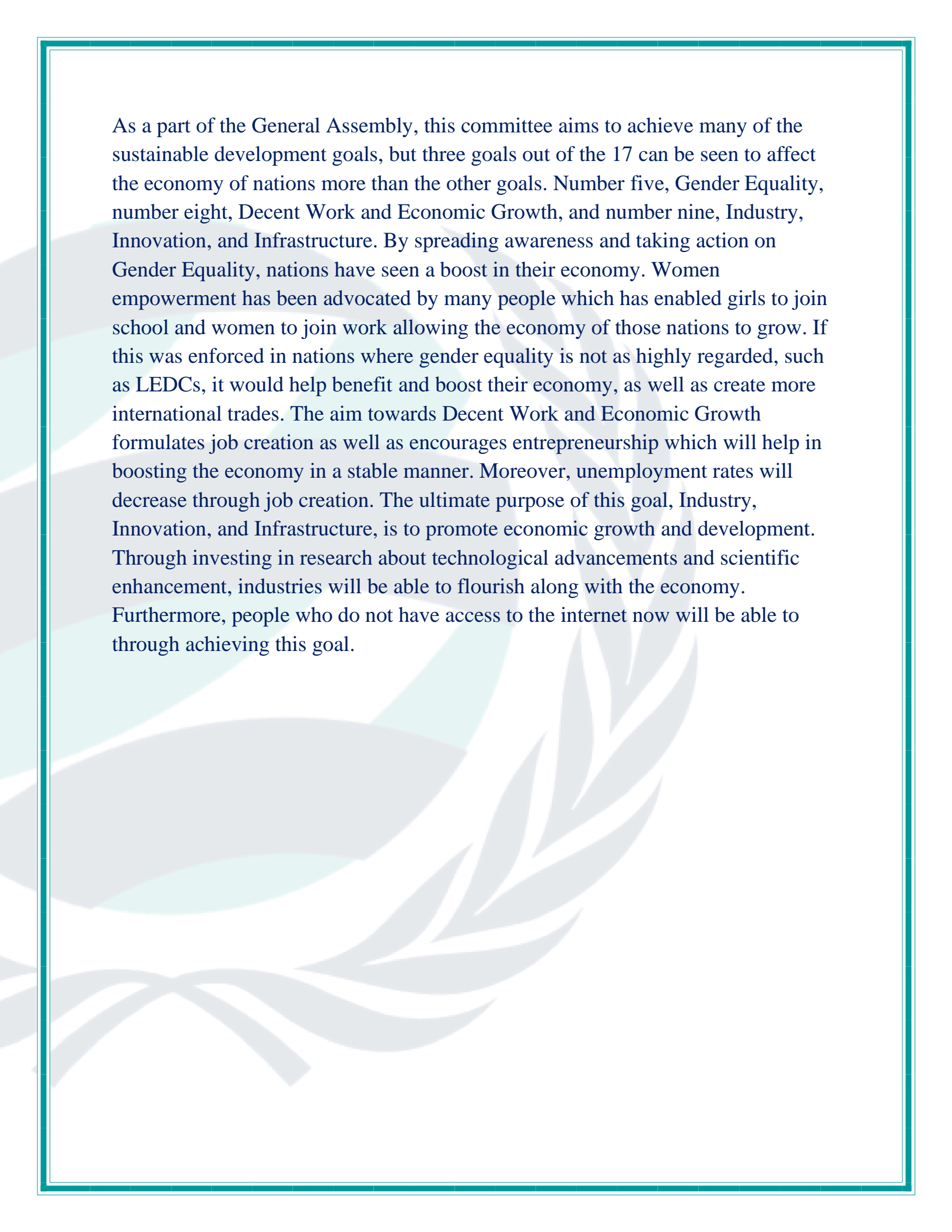
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Distinguished Delegates welcome to the Economic Development Council of VIMUN!

This Council is a new addition to one of the principal organs of VIMUN, the General Assembly. The G20 countries (Argentina, Australia, Brazil, Canada, China, Germany, France, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom, the United States, and the European Union) are a part of this organization. The European Union is represented by one delegate; however, the major European countries are represented separately. All of the nations that are part of this committee, other than observer states, must vote for or against what is being presented.

Core topics such as globalization, sustainability, and economic stability are discussed in this council. One goal of this council is to find methods to allow huge companies of theirs and other nations to collaborate and interact with each other on an international scale. Moreover, this committee strives to create solutions to problems that detrimentally affect the international economy which in return, will create stable growth and a balance of payments. Lastly, job creation and business development, international-wise, are also focused upon, which ultimately, helps in reducing the unemployment rates in many nations.

Regarding peacekeeping, this council enforces the idea of international cooperation in order to sustain a stable economy. Although trade wars and economic rivalry do exist, nations keep in mind how their economies do not only affect their own country but also nations who have major economic ties to them. The importation and exportation of goods significantly contribute to the economy of nations, therefore, with tariffs being imposed, economies start crashing. This is where the Economic Development Council plays a key role in regaining a stable economy while maintaining international peace. It is important for this council to be making rational decisions that appeal to nations without causing any harm or damage to the economies of other countries.



As a part of the General Assembly, this committee aims to achieve many of the sustainable development goals, but three goals out of the 17 can be seen to affect the economy of nations more than the other goals. Number five, Gender Equality, number eight, Decent Work and Economic Growth, and number nine, Industry, Innovation, and Infrastructure. By spreading awareness and taking action on Gender Equality, nations have seen a boost in their economy. Women empowerment has been advocated by many people which has enabled girls to join school and women to join work allowing the economy of those nations to grow. If this was enforced in nations where gender equality is not as highly regarded, such as LEDCs, it would help benefit and boost their economy, as well as create more international trades. The aim towards Decent Work and Economic Growth formulates job creation as well as encourages entrepreneurship which will help in boosting the economy in a stable manner. Moreover, unemployment rates will decrease through job creation. The ultimate purpose of this goal, Industry, Innovation, and Infrastructure, is to promote economic growth and development. Through investing in research about technological advancements and scientific enhancement, industries will be able to flourish along with the economy. Furthermore, people who do not have access to the internet now will be able to through achieving this goal.

## Topic Introduction

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With recent developments in US foreign policy and law, President Donald Trump motioned to ban the import of Chinese goods and similarly ban the export of US goods to China. Both countries play a significant role in the global economy and the world relies on such superpowers. However, after the coronavirus pandemic, tensions between Beijing and Washington DC have calmed down as the US tries to control the virus. One can say that the trade war initially began on the 6th of July, 2018, when the US imposed import tariffs on Chinese goods. The trade war has negatively impacted the economies of both the United States and China. In the United States, it has led to higher prices for consumers and financial difficulties for farmers and manufacturers. In China, it has led to record decreases in economic growth and manufacturing activity. In other countries it has also caused economic damage, though some countries have benefited from increased manufacturing to fill the gaps. It has also led to stock market instability. Governments around the world have taken steps to address some of the damage caused by the economic conflict. This economic “war” has forced countries to choose sides. An example is the Islamic Republic of Pakistan. They have substantially increased collaboration projects with China (due to the China belt and road initiative project) which has led to a net worth of around \$60 billion. Whereas, Pakistan and the US have not got any major economic projects.

Not only countries, but private enterprises have also suffered greatly. Huawei, a Chinese-based company, recently had to make phones without Google apps, an American company. Huawei had always been reliant on Google to provide its services for Maps, Gmail, Play Store and much more. This has cost Huawei a huge amount of capital as they have had to develop new apps as substitutes.

## Historical Background

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Historically, China and the US have had great ties. Back in 2001, China was allowed to join the World Trade Organisation and was given the Most Favoured Nation status. In 2000, President Bill Clinton pushed Congress to approve the US-China trade agreement and China's accession to the WTO, saying that more trade with China would advance America's economic interests. After joining the WTO, China was required to lower import tariffs substantially and so it did. China's economy started to grow exponentially, and it shortly became an economic driver globally. However, since the election of the Trump Administration in 2016, he said that China was costing the American economy hundreds of billions of dollars a year because of unfair trade practices. After imposing tariffs, he denied entering into a trade war, saying the "trade war was lost many years ago by the foolish, or incompetent, people who represented the U.S." He said that the U.S. has a trade deficit of \$500 billion a year, with intellectual property (IP) theft costing an additional \$300 billion. "We cannot let this continue," he said.



## Definition of Key Terms

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Economy - An area of the production, distribution, and consumption of goods

Trade War - An economic clash where nations impose tariffs against each other

Tariff - A tax policy inflicted upon the imports or exports of a nation

Import - Goods, and services are brought into the country

Export - Goods, and services are sold to other countries

China-US Trade War - Ongoing economic conflict between The People's Republic of China and the United States

MEDC - More economically developed countries

LEDC - Less economically developed countries

Job Creation - Opportunities provided to paid employees and to unemployed people

Unemployed - Without a paid job and the person is willing to work

Asian Crisis - In 1979 - 1978, the more economically developed companies of Asia went through a severe financial loss resulting in a major economic crisis. This caused there to be a decline in Chinese products in Asia.

The Great Depression - This period in time, from 1929 to 1933 (in the United States), was known to be the Economic Depression. It started due to the stock market crashing following in the drop in investments and many people becoming unemployed.

Stock Market - A system where buyers and sellers of the stocks claim their ownership of the business

Stock - An amount of ownership a person has in any corporation/business

Recession - Temporary economic downfall where activities such as trade and investment decline

## Guiding Questions

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### Preliminary Research Questions

With whom does your country have a stronger economic relationship, China or the United States?

What are the major imports/exports in your country and which countries are its biggest buyers?

What are some major companies in your country?

Do those companies have any relationships with US or Chinese companies?

Are there any US or Chinese investments made into those companies?

Has your nation gone through an economic crisis?

How has your nation been affected when the United States or China underwent an economic crisis?

How is your nation dealing with their own economy during this pandemic time?

Does your nation have any major economic projects that are aligned with the US or China?

How might the pandemic effect that project?

Are the tariffs imposed on China affecting your nation's economy in any way?

How does your country respond to President Trump's raising of the tariffs and wanting to produce goods domestically?

What are some possible solutions to this Trade War?

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