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## U.S. and China Push Forward with Tariff Pause, Eye Stability in Fragile Trade Ties

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In a notable step toward reducing economic tensions, the United States and China have agreed to extend their current tariff truce following high-level trade talks held this week in Stockholm, Sweden. The decision to prolong the freeze on new trade penalties signals a mutual interest in stability amid growing geopolitical and economic challenges. Officials from both sides acknowledged the importance of maintaining open channels of dialogue, even as deeper differences remain unresolved.

China's international trade representative, Li Chenggang, confirmed the development during a press briefing Tuesday, stating that "both parties reaffirmed their commitment to

implementing the Geneva and London consensuses.” These prior agreements, aimed at de-escalating trade conflicts and strengthening communication, have served as a framework for avoiding further retaliatory tariffs. According to Li, the latest round of talks was “candid” and “constructive,” with both Washington and Beijing recognizing the strategic value of continued engagement.

This move to extend the tariff freeze is expected to help maintain a level of predictability for businesses on both sides of the Pacific. American manufacturers, particularly in the agricultural and technology sectors, have been seeking clarity amid ongoing economic uncertainty and global supply chain disruptions. Chinese industries, facing both internal financial strain and external pressure from a slower-than-expected post-COVID recovery, similarly benefit from reduced trade friction with their largest export partner.

Although the Biden administration has yet to issue an official statement following the Stockholm discussions, sources close to the Office of the United States Trade Representative (USTR) suggested that the American delegation is cautiously optimistic. “These discussions are not about sweeping breakthroughs,” one official told *The Wall Street Journal*, “but about managing risk and setting a floor beneath the relationship.”

The trade pause, originally set during earlier rounds of negotiation, prevented further escalation of tariffs that had cost both economies billions in lost Gross Domestic Product (GDP). U.S. goods exports to China totaled over \$151 billion in 2023, while Chinese exports to the U.S. surpassed \$500 billion, according to data from the U.S. Census Bureau and China’s Ministry of Commerce. The continuation of a tariff freeze serves to stabilize this critical, if often tense, trade relationship.

Beijing’s decision to postpone countermeasures also hints at broader strategic calculations. With China’s economic growth falling short of internal targets and capital outflows increasing, keeping commercial ties with the U.S. intact appears to be a practical choice. Meanwhile, U.S. trade officials are focused on countering China’s unfair trade practices while avoiding shocks to domestic supply chains and consumer prices, particularly heading into a politically sensitive election cycle.

Both sides agreed to maintain the existing trade consultation mechanism, a diplomatic tool designed to manage disputes before they spiral into punitive actions. While many structural disagreements remain, particularly over intellectual property protections, technology transfers, and state subsidies, the resumption of routine dialogue is a welcome development.

With global markets watching closely, the extension of the tariff pause reflects a rare moment of cooperation in an increasingly fractured world. For now, it appears Washington and Beijing have found a temporary path toward economic coexistence, even as broader competition between the two powers shows no signs of fading.