

Comparative Analysis Of Export Strategies Of The United States And China In Global Trade

Fayziyev Umurkul Shuxratovich

Associate Professor of the Department of "Audit", the Tashkent state university of economics, Tashkent, Uzbekistan

Matyakubova Diana

Bachelor's Student of the Tashkent state university of economics, Tashkent, Uzbekistan

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Abstract: This study presents a comparative analysis of the export strategies of the United States and China in the context of global trade and international economic competition. As the world's two largest economies, the United States and China play a decisive role in shaping global trade patterns, supply chains, technological development, and international market dynamics. The research examines the major features, objectives, and policy instruments of both countries' export strategies, highlighting their differences in economic structure, industrial policy, technological innovation, and state support mechanisms.

The study analyzes the export-oriented development model of China, which is characterized by strong government involvement, manufacturing expansion, infrastructure investment, and integration into global value chains. In contrast, the export strategy of the United States is explored through its emphasis on high-technology industries, innovation, services exports, intellectual property, and market-driven competitiveness. The paper also investigates the impact of trade policies, tariffs, geopolitical tensions, and regional trade agreements on the export performance of both nations.

Special attention is given to the influence of the United States–China trade rivalry on global markets, developing economies, and international trade institutions. The research applies comparative economic analysis to evaluate export competitiveness, trade balances, sectoral specialization, and the role of foreign direct investment in export growth.

The findings suggest that while China maintains advantages in large-scale manufacturing and cost efficiency, the United States continues to lead in innovation-intensive and high-value-added sectors. The study concludes that the future of global trade will largely depend on the strategic adaptation of both economies to technological transformation, sustainability challenges, and changing geopolitical conditions.

Keywords: Global trade; export strategies; United States; China; international trade; export competitiveness; trade policy; economic rivalry; global value chains; manufacturing exports; high-technology industries; foreign direct investment; trade balance; economic globalization; international markets; geopolitical economy.

Introduction: The American and Chinese export strategies rivalry is somehow theatrical. One nation established its dominance on being the factory of the world - producing all the goods of the world, toy trains, solar panels, etc., at a rate that no other nation was able to match. The other played decades of scientific

investment to capture the high-end of the value chain: aircraft, semiconductors, Hollywood movies and software licenses that yield the benefit of royalties long after initial sale. Nevertheless, as of 2023, the value of goods exported by China is USD 3.38 trillion compared to USD 2.02 trillion by America [1], which would have

been unrealistic to believe two decades ago.

This thesis poses deceptively simple question: why do two of most successful exporting nations of all time follow such radically different policies - and what their difference tells us about the future of international trade? The discussion will take the form of an analysis

under three prisms: the structural makeup of exports, the institutional design underpinning each strategy, and the geopolitical friction the two strategies create. The point is, that they are not only alternative ways to the same goal, but real rival visions of the way the world economy should be structured.

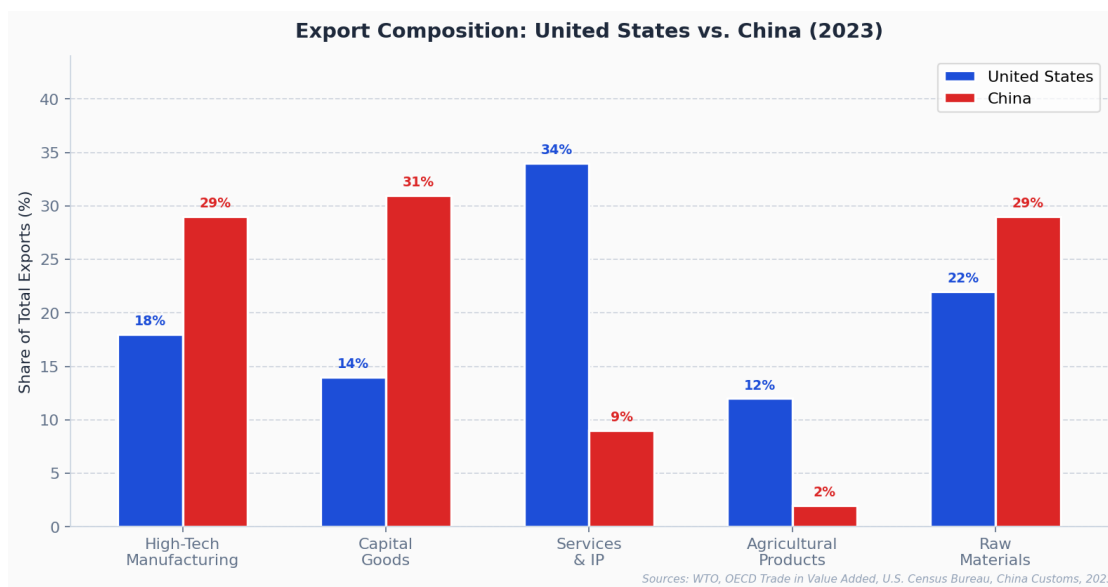


Figure 1. Export Composition by Category, USA vs. China (2023). Sources: WTO, OECD Trade in Value Added Database, U.S. Census Bureau, China Customs General Administration.

Structural Divergence: What Each Country Actually Sells

The difference is clear in figure 1. American exports are skewed more towards services and intellectual property - financial services, software licensing, higher education, tourism, and professional consulting all make up about a third of the value of exports on average [2]. When the United States does sell, they are typically of a high-complexity good: Boeing aircraft, medical equipment, liquefied natural gas, and agricultural goods where American land productivity gives the country a natural advantage. It is a strategy that is constructed on scarcity and complexity-products that are difficult to imitate and those that have broad profit margins.

The export profile of China can be termed as near an inversion. Manufacturing - including consumer electronics, machinery, steel, chemicals, and more and more electric vehicles and solar panels - lead the ledger with a total of more than half of total goods exports [3]. What people overlook is how rapidly China is on the rise

in terms of manufacturing. China mainly exported low-wage, labour intensive goods in 2000. As of 2023, it was the leading exporter of electric vehicles in the world, battery technology, and photovoltaic cells, industries that demand complex supply chains and significant amounts of research and development [4]. The workshop of the world is a good title, just that it now refers to a more ambitious workshop.

The direct impact of this structural gap on the balance of trade is obvious. Due to the services-heavy and goods-heavy export mix of the American and Chinese, respectively, the bilateral trade deficit is always in favour of China, in 2023 it is USD 279 billion [1]. This has been criticized in Washington as evidence of unfair competition; economists observe that measuring the huge surplus in the U.S. in goods alone overlooks the immense surplus in the U.S. in services. The two observations are both true at once, and this is itself a symptom of the extent to which the two export models are different.

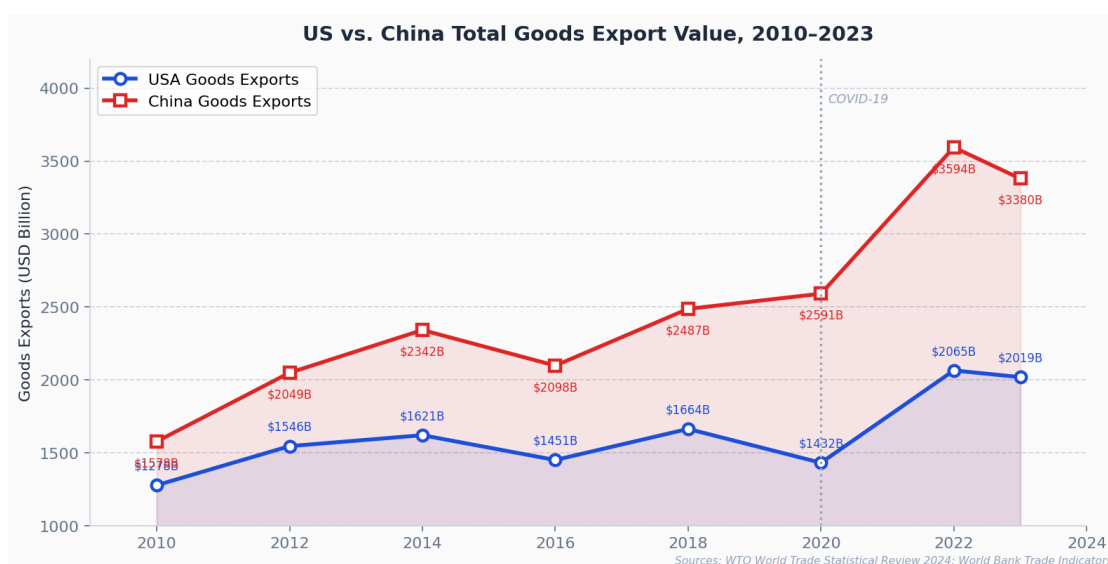


Figure 2. Total Goods Export Value, United States vs. China, 2010–2023 (USD Billion). Sources: WTO World Trade Statistical Review 2024; World Bank Trade Indicators.

Institutional Drivers: How Each Government Shapes Its Exporters

The processes that drive the performance of exports of every country are as varied as are the goods. The policy of China can be described in the crudest terms as state capitalism on a global scale. Beijing directs subsidised credit, land allocations and favourable taxation into the strategic export sectors through the Made in China 2025 plan, the Belt and Road Initiative, and a system of policy banks the China Development Bank and China Export-Import Bank [5]. The outcome is that Chinese companies in target industries are able to make aggressive pricing in overseas markets not due to the fact that labour in China remains cheap (since 2010 wages have increased at a rapid pace), but because the state subsidizes its prices that are being shouldered by its competitors. The government of the United States also interferes; however, the instinct is another. The promotion of American exports is conducted mainly by rule and not using subsidies: the enforcement of intellectual property rights in foreign markets, negotiating market access at the WTO and bilateral free trade agreements, and the Export-Import Bank, which is used to finance large-ticket exports where no other private financing is available. The more significant motivation, however, is the private investment. Corporate R&D investment in the United States was over USD 465 billion in 2022 [6] - more than the GDP of most mid-sized economies - investing in the next wave of products that will fill American export lists 10 years down the road. This institutional variance describes a dynamic that has been long ignored: American export policy is more emergent and is driven by market incentives in millions of companies whereas Chinese export policy is more deliberate and is driven by five-year plans and industrial policy objectives. Each of the

models has its flaws. The American model is able to generate boom-bust fluctuations in export sectors and has difficulty in coordinating in sectors where there are unpredictable returns of private investments - advanced manufacturing, clean energy. Chinese model is threatened by excessive production, debts in the policy banks and a sustained conflict with the WTO regulations on subsidies of industries.

The Geopolitical Dimension: Export Strategy as Foreign Policy

Export strategy would be naive to take it as strictly economic. The trade access is a foreign policy tool in use both in Washington and Beijing- the difference is in direction. Export controls have long been part of the US denial of adversaries' access to sensitive technology; the semiconductor restrictions in 2022/2024, including those on equipment used to manufacture chips, and advanced AI accelerators, are the most aggressive exercise of this reasoning in decades [7]. The implied theory is that American technological superiority is a strategic resource that is too valuable to be shared with a geopolitical opponent. The strategy of China is practically the reverse: to leverage strategic power through export dominance. Domination of key mineral refinery -China polishes about 80 percent of the global rare earth elements [8] so that any nation that relies on Chinese exports of batteries, magnets, or semiconductors is vulnerable to supply interruption. The short export ban on gallium and germanium in 2023 was not as significant in its own right as a signal that Beijing, like Washington, considers export capacity to be a tool of statecraft. What comes out of this collision is not a clean decoupling but a reconfiguration that is messy. Previously optimized supply chains to achieve efficiency are now needed to achieve resilience and political alignment at the same time. The

downstream effects of the US-China export rivalry include friend-shoring, near-shoring, and the spread of industrial policy in Europe, India, and other places. Ironically, the two approaches are transforming world trade in their own image - America developing an industrial policy capacity that it looked down upon, China developing services exports and foreign brand recognition that it previously failed to develop.

Conclusion

The export policies of the United States and China are not merely rival trade policies but reflect rival theories of how economies are to develop and how the international system is to be managed. The volume-and-manufacturing paradigm in China has pulled hundreds of millions of people out of poverty, and has shown that late-developing economies can seize advanced industrial value chains with planned policy. The premium-and-IP model created by America has created a massive wealth and technology, yet workers and areas that were unable to ride the services wave have been left behind.

Both tactics are not taking it easy. The export engine of China is confronted with the headwinds of overcapacity, aging population and the emerging alliance of the trading partners who have no intention of taking up its excess production without any political conditions. Chinese artificial intelligence, electric cars, and quantum computing are becoming a significant challenge to the technology premium that America enjoys. The most probable short term course is managed competition - selective decoupling in strategic areas, further interdependence in commodities and consumer goods, and a long term negotiation over which version of the rules of trade will apply to the rest of this century.

In the case of a smaller economy between the two giants (such as the fast-growing economies of Central Asia, South Asia and Africa) the divergence is both a source of risk and a source of opportunity: it is a source of risk in that it may turn into a theatre of great-power supply chain politics, and a source of opportunity in that it may become a source of investment by both sides at once. The way those economies negotiate that decision might make a difference in the long run in terms of which model of export dominates.

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