

# Folly of Tariff-driven Reshoring

## Voice of the World

By Staff Reporters

In April 2025, the Trump administration announced its "reciprocal tariff" policy amid much fanfare, attempting to use the opportunity of trade negotiations to force other countries to pay "protection fees," and promote reshoring of manufacturing to the U.S.

However, although some industries appeared to experience a brief boom under tariff protection in the short term, it was nothing more than an artificially inflated resurgence. Many global media outlets directly pointed out the real problems: soaring costs, disrupted raw material supplies, broken industrial supply chains, and high prices coupled with low quality becoming the norm. This has led to significant losses for enterprises and increased financial burdens on consumers.

### Tariff-driven reshoring limits

"The past three administrations have all attempted and failed to reshore lost manufacturing jobs and we expect the latest effort, with Trump expanding use of tariffs in his second term, to be no different," wrote *Capital Economics* analyst Thomas Ryan.

Ryan explained that tariffs might support limited production reshoring in certain sectors, such as motor vehicles and pharmaceuticals, because much of the imports in these industries come from developed economies like Canada or Europe, where labor costs are not



Members of the press follow the third round of trade negotiations between the U.S. and China, which kicked off in Stockholm, Sweden on July 28, 2025. (PHOTO: VCG)

significantly lower than in the U.S. However, in industries such as textiles and machinery, U.S. companies face competition from low-wage workers in developing countries. He also noted that the U.S. faces a shortage of skilled labor in many industries.

Similar sentiment was echoed by other media. According to the U.S. Bureau of Labor Statistics, as cited by *The New York Times* (NYT), approximately 400,000 manufacturing positions remain unfilled. NYT noted that experts warn that this gap is likely to widen if companies are compelled to shift production from overseas back to new factories in the U.S.

*Fortune* magazine commented that people in the U.S. want more U.S. factory jobs, but only if they don't have to work them. According to a Cato Institute survey in 2024, 80 percent of Americans believe the country would benefit from increasing manufacturing employment, but only a quarter think they would be personally better off working in a factory.

### Structural barriers in industries

Beyond labor shortages, reshoring to the U.S. also means higher production costs, and comprehensive pressures including regulations, labor and tax burdens. Asia's mature supply chains, efficient manufacturing capabilities, skilled technical workforce, and cost advantages

are difficult for the U.S. to replicate in the short term.

The BBC noted that reshoring basic manufacturing sectors like footwear faces structural challenges in U.S. Brands like Nike and Adidas which failed in their attempts a decade ago to develop new manufacturing technologies in the U.S. Today, about 99 percent of shoes sold in the U.S. are imported, mainly from China, Vietnam and Indonesia.

High-tech industries pose even greater challenges. Donald Trump's newest venture, the T1 phone, stopped publicizing that it would be "made-in-America." On its website, the message has been changed to "Designed With American Values." The reality behind this incident is that the U.S. lacks a complete smartphone manufacturing infrastructure — even if assembly takes place domestically, most components still need to be imported from abroad.

Another example is happening in the medical industry. In early July, Trump proposed imposing a 200 percent tariff on imported medicines. Faced with tariff threats, multinational pharmaceutical companies have not only stood their ground but have also accelerated cooperation with Chinese innovative drug firms. Giants like AstraZeneca and Pfizer have actively partnered with Chinese pharmaceutical companies, signing major deals worth billions of dollars.

*The Wall Street Journal* interviewed experts and manufacturers, who said that if tariffs significantly cut into profits, generic drug companies might simply pull their products from the market rather than continue operating at a loss.

# Record Deals Witness Booming Low-altitude Economy

## Opinion

By LI Linxu

The inaugural International Advanced Air Mobility Expo in Shanghai has become a barometer of the low-altitude economy's explosive growth, where blockbuster deals and technological leaps converge to chart the sector's future.

On the first day of the expo, Shanghai-based Volant Aerotech inked an intent deal worth 1.75 billion USD with Thailand's Pan Pacific, making it the largest single international order ever received for passenger electric vertical take-off and landing (eVTOL) aircraft in China.

The record-breaking deal underscored the thriving development in this trillion USD frontier sector, with the potential to reshape urban mobility and low-altitude travel.

With about 300 exhibitors and 44 debut products (19 global and 25 domestic firsts), the expo has become a microcosm of the booming global low-altitude economy.

Three transformative trends can be seen through the lens of the expo. First, technological advancements are accelerating commercialization. From the world's first seven-seat eVTOL to the world's first mass-produced large hydrogen-powered vertical take-off and landing (VTOL) fixed-wing drone, innovations displayed at the expo prove low-altitude solutions are maturing beyond

prototypes.

Second, real-world applications are expanding at a faster pace. EVTOLs purchased by Pan Pacific are expected to be used in scenarios including short-distance transportation in or between islands in regions including Thailand and Maldives, as well as emergency and rescue. Shanghai is developing low-altitude industrial logistics, cultural tourism and industrial parks in light of local conditions. All of these exemplify the sector's practicality.

Third, ecosystem collaboration is pivotal to the sustainable development of low-altitude economy. The low-altitude economy features an extensive industrial chain, supply chain and policy chain. Developing an eVTOL involves numerous aspects, from flight control

systems and avionics to batteries, motors, airframe structures, and composite materials. Each of these areas requires collaboration with more than one partner. Thus, an open and collaborative ecosystem is essential for the future growth of the low-altitude economy.

This is precisely the purpose of the expo: to enhance the allocation of ecosystem elements, accelerate the practical implementation of application scenarios, and establish a platform for deep integration among government, industry, academia, research institutions and end-users.

As the expo concluded, one thing is clear: low-altitude economy isn't just about flying cars — it's a testbed for redefining urban mobility and fostering ecosystems.

## Comment

# U.S. Withdrawal from UNESCO Snubs Shared Interests

By GONG Qian

The Trump administration announced on July 22 that the U.S. will withdraw from the United Nations Educational, Scientific and Cultural Organization (UNESCO) by the end of 2026.

The U.S. State Department said that the country's involvement with the UN agency is no longer in its national interest, adding that the UNESCO policy and its "outsized focus" on the UN's Sustainable Development Goals sit "at odds with our America first foreign policy."

Director-General of UNESCO Audrey Azoulay, said in a statement that she "deeply regrets" the decision and underscored that, "This decision contradicts the fundamental principles of multilateralism."

As one of the founding members of the UN, the U.S. has long played a significant role in international affairs. However, its latest withdrawal from UNESCO once again reveals the unilateral tendencies in its foreign policy and highlights its ongoing retreat from multilateral mechanisms.

The two parties have experienced an on-again, off-again relationship over the past decade. The U.S. first withdrew from UNESCO in 1984 and rejoined in 2003. Then the first Trump administration quit the organization in 2017, and the U.S. reentered it under the Biden administration in 2023. Now, this is the third time that the U.S. leave the Paris-based agency, showing a pattern of inconsistency.

The latest decision to exit is closely tied to the "America First" policy championed by the Trump administration, which prioritizes narrow national interests over international cooperation and global development. Under this framework, the U.S. has repeatedly distanced itself from international organizations

and multilateral mechanisms that are not in line with its perceived interests. Since January 2025, the U.S. has also pulled out of the Paris Agreement, the World Health Organization as well as the United Nations Human Rights Council.

Such actions not only undermine international order and multilateral cooperation but also erode trust and coordination within the international community, especially in addressing global issues like climate change, education access, and cultural preservation.

As a permanent member of the UN Security Council and a major power in the world, the U.S. should play a constructive role in international affairs, safeguarding the authority and effectiveness of international organizations, rather than choosing to abandon them when faced with differences.

"Unilaterally withdrawing the United States from UNESCO is another assault by the Trump administration on international cooperation and U.S. global leadership," Rep. Gregory Meeks, the top Democrat on the House Foreign Affairs Committee, told the Associated Press.

"Continued withdrawals may contribute to a fragmented global order in which national interests supersede shared responsibility," said the New York Center for Foreign Policy Affairs, a U.S. policy and research institute.

Under the current complex and rapidly changing international landscape, all countries should firmly support multilateralism and jointly address global challenges. UNESCO plays a vital role in advancing human civilization and international cooperation. While the U.S. withdrawal presents a setback, UNESCO will continue to promote multilateral engagement and foster global collaboration, with the continued support of the international community.



The headquarters of UNESCO in Paris, France, July 22. (PHOTO: XINHUA)

# China, LAC Promote Human Rights in Digital Age

## Overseas Echoes

By LU Zijian

The Second China-Latin American and Caribbean (LAC) States Roundtable on Human Rights, held in São Paulo, Brazil, on July 25, gathered more than 130 guests from China and LAC countries to discuss human rights protection in the digital and intelligent age, environment, climate and human rights, and China-LAC states' contributions to global human rights governance.

Jointly hosted by the China Society for Human Rights Studies (CSHRS), Renmin University of China and São Paulo State University, the meeting was themed "China-LAC States Community with a Shared Future and the Development of Human Rights."

Wang Yanwen, deputy secretary-general of CSHRS, said China upholds the people-centered human rights philosophy and regards the right to subsistence

and the right to development as fundamental human rights of primary importance. By advancing the comprehensive development of all kinds of human rights, it has made historic achievements in its human rights cause.

Human rights should be closely related to the daily life of ordinary people, said Victoria Analía Donda Pérez, president of Citizenship and Human Rights Commission of the MERCOSUR Parliament. She lauded China's development path that has lifted hundreds of millions of people out of extreme poverty, calling the achievement a powerful defense of human rights and dignity.

She also added that a community with a shared future for mankind, proposed by China, offers a new perspective for global governance with human rights as the core.

Gustavo Adolfo Pacheco Villar, president of the Andean Parliament, said LAC countries have abundant natural resources and social diversity. He hoped that each person in the region would enjoy equality, justice and human rights

protection in the process of transforming these resources and characteristics into power and opportunities for regional development. Human rights should be respected while empowering the Global South, and everyone needs to make an effort.

According to Mo Jihong, director of the Institute of Law and member of the Chinese Academy of Social Sciences, China and LAC countries share many cooperative advantages in terms of global human rights governance, including similar human rights views and good bilateral relationships. Extensive bilateral cooperation in human rights governance would set a good example for building a community with a shared future for mankind, and promote global human rights governance.

China and LAC countries have carried out wide cooperation in human rights protection in the digital age and environment protection under mechanisms like the China-CELAC Forum and the Belt and Road Initiative.

Together, they have built digital

infrastructure. Over 8,000 kilometers of optical fiber laid in the Amazon rainforest connect 3.7 million local residents to the Internet. China has also developed remote sensing satellites with Brazil and Venezuela respectively, and the observed data is used in environment protection and disaster prevention and mitigation.

Wang said we should uphold human rights values to promote digital technologies for good, and adhere to environmental governance and green development to strive for people's happiness. Cooperation should be strengthened on human rights research, steering global human rights governance towards a fairer, more just, reasonable and inclusive direction.

The roundtable released the São Paulo Consensus on China-Latin American and Caribbean States Human Rights Communication and Cooperation, and launched the "China-Latin American and Caribbean States on Human Rights Research and Cooperation Network."

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Still far from the target of over 20 percent reduction, the team dug deeper. The breakthrough came not from the train's nose but its underside — specifically, the bogie area. "We realized that the undercarriage contributed disproportionately to overall resistance," said Shao Jun, the lead aerodynamicist.

Their ultimate solution was to cover the bogie with a specialized aerodynamic shell. Combined with a streamlined body, low-drag pantographs, and redesigned surface geometry, the final system achieved a 22 percent reduction in drag, keeping energy consumption equivalent to CR400 levels despite the speed increase.

### Braking from 400 to 0 in 6.5 km

Speed is meaningless without control. From the start, the developers insisted that the CR450 must be able to brake from 400 km/h to zero in the same distance as the CR400: just 6.5 kilometers.

That meant absorbing vast amounts of energy in mere seconds.

"That energy is enough to boil 6.8 tonnes of water in two minutes," said Cai Tian, a brake system researcher. The team had to invent entirely new high-temperature, fatigue-resistant brake materials. Over a hundred prototypes were tested before a final formula emerged.

They also rebalanced the braking force across different rail cars due to reduced ventilation from the aerodynamic shells. Using a multi-stage adhesion control system — akin to easing gently on snowy roads — they gradually applied braking force to avoid wheel slip.

Thousands of tests later, researchers mapped the world's first braking adhesion curve for trains operating at 400 km/h, setting a new benchmark in international rail safety. With over 200,000 kilometers of field trials completed, the CR450 is now entering its final verification phase. More than just a machine, it represents a national determination to stay ahead of the curve — delivering faster, safer and greener travel in a world that demands nothing less.