



Proposed U.S.-China Trade Agreement

Yesterday, after months of negotiation, President Trump [announced](#) the framework of a trade agreement with China, subject to final approval by both President Trump and President Xi Jinping.

The framework reportedly includes China relaxing its restrictions on shipments of valuable rare earth minerals and magnets to the United States. In return, the United States would reduce export controls imposed on China and end President Trump's recent policy of restricting student visas to Chinese citizens.

Regarding tariffs, President Trump stated, "We are getting a total of 55% tariffs, China is getting 10%."

Background

Tariffs

According to [reports](#), a White House official explained that the 55 percent figure is an aggregate of the 10 percent reciprocal tariff baseline, 20 percent on Chinese imports in retaliation for China failing to stem the flow of fentanyl, and the 25 percent tariffs on imports levied during the first Trump administration which were maintained by former President Biden and continued by the second Trump administration.

China's Previous Blockade on Rare Earth

On April 4, 2025, China [imposed](#) a complete blockade on the shipment of specific rare earth materials and magnets to the United States. China is the world's largest supplier of these materials, [controlling](#) nearly 70 percent of the world's mine production of those minerals in 2024. Rare earth minerals are essential components of everything from cars to computers to defense equipment, and the export controls [disrupted](#) supply chains in the U.S. for industries like electric vehicles, semiconductors, and defense. These restrictions would be lifted under the new framework.

The Trump administration [responded](#) on May 23, 2025 by requiring new licenses for ethane transportation to China. On June 3, 2025, the Trump administration's Department of Commerce's Bureau of Industry and Security [issued](#) a notice of intent to deny export licenses for three ethane cargoes destined for China, targeting Enterprise Products Partners and affecting billions of dollars in energy exports to China. These restrictions would be lifted under the framework.

Trump Administration's Previous Policy on Student Visas

Secretary of State Marco Rubio similarly [imposed](#) new visa policies to "to aggressively revoke visas for Chinese students, including those with connections to the Chinese Communist Party or studying in critical fields" as well as "revise visa criteria to enhance scrutiny of all future visa applications from the People's Republic of China and Hong Kong." These visa restrictions would be lifted under the new framework.