

WORLD

US growth cut as tariffs begin to bite

Experts attribute slowdown to policies that are dampening economic outlook

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The signs of strain in the US economy once again became apparent on Tuesday when the Organisation for Economic Co-operation and Development slashed the country's 2025 growth forecast to 1.6 percent from its March prediction of 2.2 percent.

This downgrade followed revised figures released last week by the US Department of Commerce that showed the US economy contracted at an annualized rate of 0.2 percent in the first quarter of 2025 — a first since 2022.

Experts attributed the economic slowdown to the US administration's unpredictable tariff policies that have been driving up costs and dampening the country's economic outlook.

Alvaro Pereira, OECD's chief economist, wrote in a commentary: "We have seen a significant increase in trade barriers as well as in economic and trade policy uncertainty."

Since April, the US administration has escalated tariffs targeting its major trade partners, disrupting global supply chains.

Tariffs, or taxes on imported goods, are paid by US companies and often passed on to consumers, economists said. "It increases household financial burdens and decreases corporate profits," said Zhang Xinyu, an associate professor of industrial economics at Liaoning University.

"Tariffs raise costs, reduce consumer purchasing power, and limit business investment, thus slowing economic growth," she told China Daily.

"The tariff chaos is expected to weigh heavily on the economy. If the pause ends without solutions, more countries and regions are likely to respond with countermeasures, further amplifying the negative impact on the US economy," said Ke Jing, an associate researcher at the Shanghai Academy of Social Sciences.

Economic integration in other parts of the world is anticipated to "accelerate against this backdrop as countries tend to distance themselves from the United States", Ke told China Daily.

Last week, the US Department of Commerce's Bureau of Economic Analysis revised the first quar-

ter's economic data from its initial estimate of a 0.3 percent annualized contraction to a 0.2 percent decrease, driven partly by companies stockpiling imports to avoid upcoming tariffs.

The annualized rate is a measurement of how economic indicators would change over a year if kept at the current growth or decline rate. Despite the slight upward revision, corporate profits fell sharply by \$118.1 billion last quarter, compared to a \$204.7 billion increase in the previous quarter, according to the BEA.

Consumer spending, which accounts for nearly 70 percent of US GDP, slowed to 1.2 percent in the first three months of the year, from 4 percent a quarter earlier, The Washington Post reported.

Mounting pressure

"Weak performance in consumer spending and declining corporate profits point to mounting pressure on the demand side," Ke said.

In the latest instance of its tariff assaults, the US administration raised duties on steel and aluminum imports from 25 percent to 50 percent on Wednesday.

"Constant policy changes have dampened expectations and the tariffs are causing more harm than good (for the US)," Zhang said.

Mehmood Ul Hassan Khan, executive director of the Center for South Asia and International Studies in Islamabad, said the US economy is entangled in serious debt, raising fears of budgetary and fiscal deficits.

"The figures serve as a wake-up call for US policymakers as they indicate a shrinking economy, slowing industries, high inflation and a drift toward recession because of the US' ongoing reckless trade and tariffs war with the world," he told China Daily.

The US national debt has surpassed \$36 trillion. With relatively high interest rates, "investors favor short-term US government bills over long-term bonds", Ke of the Shanghai Academy of Social Sciences said, adding that it will "push up long-term yields and strain federal finances".

"We cannot say if the US economy is already in a recession but the trend sends a signal that it is falling into trouble, as tariffs, debt and weak demand combine to raise concerns," Ke said.



Buddhist monks perform a ritual during a tribute ceremony for the Yala Glacier in Langtang Valley, Nepal, on May 12, to mark its rapid disappearance due to climate change and draw attention to global glacial retreat. JITENDRA RAJ BAJRACHARYA VIA AFP

Glaciers in Asia at risk, action urged

By XU WEIWEI in Hong Kong
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The rapid melting of glaciers in the Asia-Pacific has not only put pressure on governments to take urgent and collective action but also turned the spotlight on developed countries to mitigate the devastating effects of climate change, experts said.

According to the latest report from the World Meteorological Organization, global climate predictions indicate that temperatures are expected to remain at or near record levels over the next five years.

"We have just experienced the 10 warmest years on record. Unfortunately, this WMO report provides no sign of respite over the coming years, and this means that there will be a growing negative impact on our economies, our daily lives, our ecosystems, and our planet," said WMO Deputy Secretary-General Ko Barrett.

A WMO statement on May 28 said the current level of warming is already driving more heatwaves, extreme rainfall events, intense droughts, the melting of ice sheets, sea ice and glaciers, ocean heating, and rising sea levels.

Earlier, UN Secretary-General Antonio Guterres sounded the international alarm over the rapid melting of Himalayan glaciers in Nepal and called for urgent action to tackle climate change, particularly in ecosystems that are most vulnerable in the world.

"Record temperatures have meant record glacier melt," Guterres said in a video message at an international conference last month. "Nepal today is on thin ice — losing close to one-third of its ice in just over 30 years. And your glaciers have melted 65 percent faster in the last decade than in the one before."

In Nepal, the high glaciers in the Himalayas are melting rapidly due to global warming, which is hap-

pening nearly twice as fast as the global average, according to Christine Loh, chief development strategist at the Hong Kong University of Science and Technology Institute for the Environment. She added that the Maldives, at the other end of South Asia, faces rising seas caused by global glacier melt, which threatens its survival.

"Both Nepal and Maldives are among the least responsible for climate change but are suffering the most," she said. "This sad situation calls upon the G7 countries that developed early and hence are the most responsible for climate change to help the least responsible in adaptation and resilience through active assistance and cooperation while they and everyone else work harder to decarbonize."

Water security

Anjal Prakash, an associate professor and research director at the Bharti Institute of Public Policy at the Indian School of Business in Hyderabad, said: "The melting ice jeopardizes water security for some of the world's most densely populated nations that rely heavily on glacier-fed rivers for agriculture, drinking water, and hydropower."

As glaciers diminish, the risk of glacial lake outburst floods increases, endangering communities and infrastructure, he said.

According to Prakash, governments must prioritize climate mitigation strategies, including reducing greenhouse gas emissions through the adoption of renewable energy, reforestation, and sustainable development.

Promoting regional cooperation for climate resilience, disaster preparedness and data sharing can enhance the region's adaptive capacity, noted the expert, who is a lead author with the Intergovernmental Panel on Climate Change.

"By committing to swift climate action and sustainable policies,

South Asian countries can protect their glaciers, preserve vital water resources, and ensure a stable future for their populations. The time to act is now. Glaciers are not just ice — they are the lifelines of our nations."

Levan Tielidze, a research fellow at the School of Earth Atmosphere and Environment at Monash University in Melbourne, noted that the retreat of glaciers is a significant indicator of climate change.

As glaciers melt at heights above Nepal and in other similar places in the world, the storage function of the glaciers will have been lost, said Michael Edeess, an adjunct associate professor in the Division of Environment and Sustainability at Hong Kong University of Science and Technology.

"These are the tasks facing watershed management planners, who must plan decades in the future, taking into account the changes in glacier sizes and flows," he said.

Being home to more than 7,000 known glaciers, Pakistan has the highest number of glaciers outside the Earth's poles. Their melting makes the country highly prone to the risk of floods, said Shahid Khan Abbasi, former prime minister of Pakistan. Some Asian countries have the largest populations, yet they are hit hardest by the devastating impact of climate change, such as glacial melt, he added.

However, the response of the governments in developing countries is limited to managing the fallout. Thus, it is important for developed countries, particularly the United States, to help address the issue of funding or climate financing, as trillions of dollars will be required in the green energy sector, he noted.

"The US is a major consumer of power or energy, so if the country is not on board, it will be impossible to have a sustainable solution."

Karl Wilson in Sydney contributed to this story.

Osaka Expo sees Guizhou in full bloom

By JIANG XUEQING in Osaka, Japan
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The Guizhou Week kicked off on Thursday at the China Pavilion of Expo 2025 Osaka, spotlighting the province's rich cultural heritage, economic potential and emerging role in China's modernization journey.

This marks the first time a Guizhou government delegation has participated in a comprehensive world expo overseas, aiming to foster economic and cultural exchanges while exploring new avenues for international development.

Wu Shengrong, director of the China Pavilion, emphasized the event's diverse lineup, which includes cultural performances, business and trade activities, tourism promotions and showcases of intangible cultural heritage.

"We hope that Guizhou, together with friends from Japan and other countries, will seize the opportunity of Expo 2025 Osaka to engage in broad economic and trade exchanges, foster deeper cross-cultural understanding, strengthen cooperative consensus, explore new avenues for development and work together to create a new chapter of mutual benefit and win-win outcomes."

Xue Jian, China's consul general in Osaka, emphasized the growing economic relationship between Guizhou and Japan, particularly in sectors such as agriculture, tourism, big data and healthcare.

"By leveraging Expo 2025 Osaka as a platform and Guizhou Week as a catalyst, we are confident that both sides will continue to advance win-win cooperation and inject more positive energy into China-Japan relations."

Miao Hong, chairman of the China Council for the Promotion of International Trade Guizhou Sub-Council, pointed out that trade in goods between Guizhou and Japan increased by more than 19 percent last year, underscoring a strong growth trajectory.

"Currently, China-Japan relations are on a steady and positive path, creating favorable conditions for broader collaboration. We believe that, through joint efforts, exchanges and cooperation between Guizhou and Japan will usher in an even brighter future."

Kenji Imamura, secretary-general of the Kansai Headquarters of the Japan-China Economic Association, highlighted Guizhou's competitive edge in areas such as liquor brewing, new energy, big data and tourism.

"We hope more Japanese people will gain a deeper understanding of Guizhou's strengths and appeal."

Running through Saturday, the Guizhou Week also features cultural and tourism promotion, brand and photography exhibitions, as well as live demonstrations of intangible cultural heritage — all centered around the theme "Colorful Guizhou, Sustainable Future".

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