

All Fun and Games? Modeling Outcomes from the Board of Trade

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The most concrete outcome of the Trump-Xi summit in Washington was an announcement on proposed mutual tariff reductions under the bilateral Board of Trade framework. While both sides quickly framed the deal as a reciprocal “30 for 30” swap, a close read of the two lists reveals notable asymmetries that could produce uneven outcomes. First, while Beijing’s import list consists mainly of food products and inputs that it needs but has readily obtained from other sources, Washington’s import list is full of consumer goods that the United States overwhelmingly buys from China, tariffs or no tariffs. Second, China’s proposed tariff reductions are both deeper (with tariff rates falling nearly twice as far on average) and wider in scope (covering over twenty times as many individual products across many sectors) than the US commitments. These asymmetries leave ambiguity regarding the ultimate effect of the agreement.

Simulating the proposed cuts using a leading trade model, we estimate that the Board of Trade could create export opportunities, with annual global US goods exports rising by up to \$10.3 billion and global Chinese goods exports rising by up to \$11.0 billion relative to the status quo. Like other analysts, our estimates have grown more complete as more post-summit information became available. We find that the agreement would thus expand overall exports rather than primarily redirect existing sales between markets. Furthermore, lower tariffs could reduce prices for covered goods in both economies, with potentially greater relief for US buyers where alternative suppliers have been limited.

Overall, our model results indicate US exporters could benefit, provided that non-tariff barriers and other restrictions in China do not hamper meaningful new demand for US products. On the other hand, China’s export gains—and price relief for US consumers in products covered by the agreement—appear more certain.

Comparing product coverage and tariff reductions

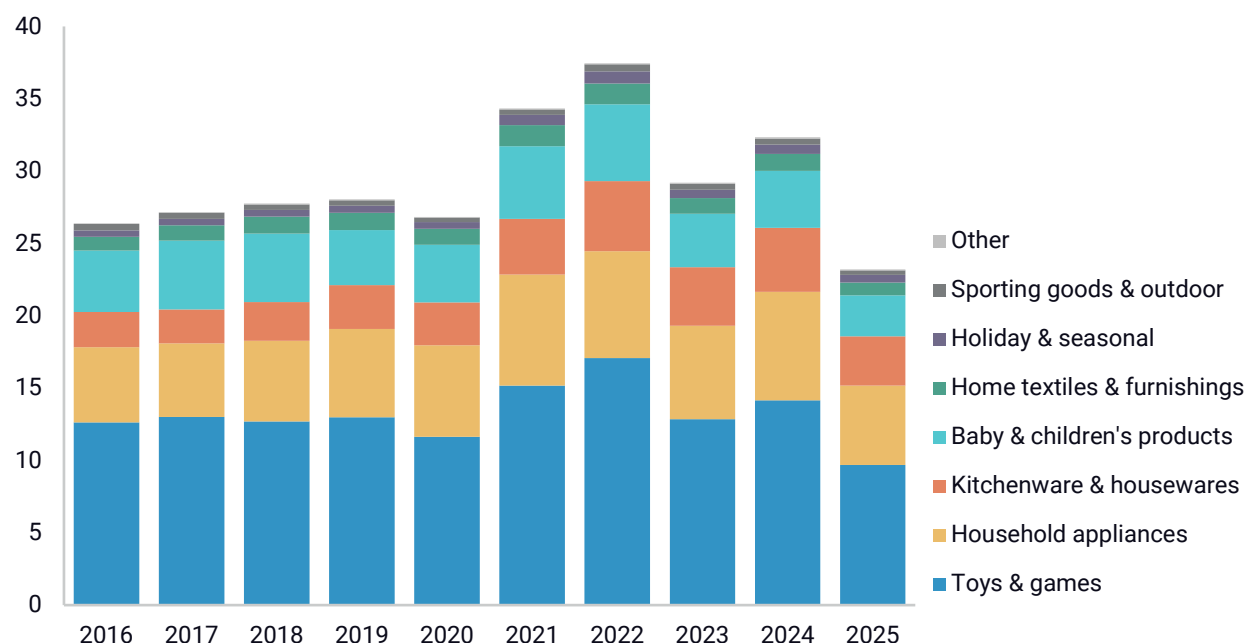
The most concrete outcome of the recent US-China leaders’ summit in Washington was the release of new details on the Board of Trade. As part of the launch, both sides released a set of products deemed non-sensitive and eligible for tariff reduction. Each list was designed to add up to roughly \$30 billion in bilateral imports in 2024, a mutually agreed reference year prior to the disruptive tariff actions of 2025. The [US imports list](#) includes consumer goods such as toys, games, holiday décor, and other common

household items, while the [China imports list](#) covers a range of agricultural products, timber, coal, and medical devices. While the timing of potential tariff reductions [remains unclear](#), China's Ministry of Commerce (MOFCOM) [stated](#) that "about 90%" of Board of Trade products would see tariff rates fall to Most Favored Nation (MFN) levels.¹

US commitments: mostly toys and games

The US list primarily covers consumer and household goods, including toys and games, small appliances, kitchenware, and holiday and sporting goods. By and large, these are products the US has historically imported from China (Figure 1). As a result, the US concessions largely reduce the cost of established trade flows, which will likely offer price relief for everyday consumer purchases.

FIGURE 1
US imports from China in Board of Trade goods
USD billions



Source: US ITC

China's commitments: agriculture and coal

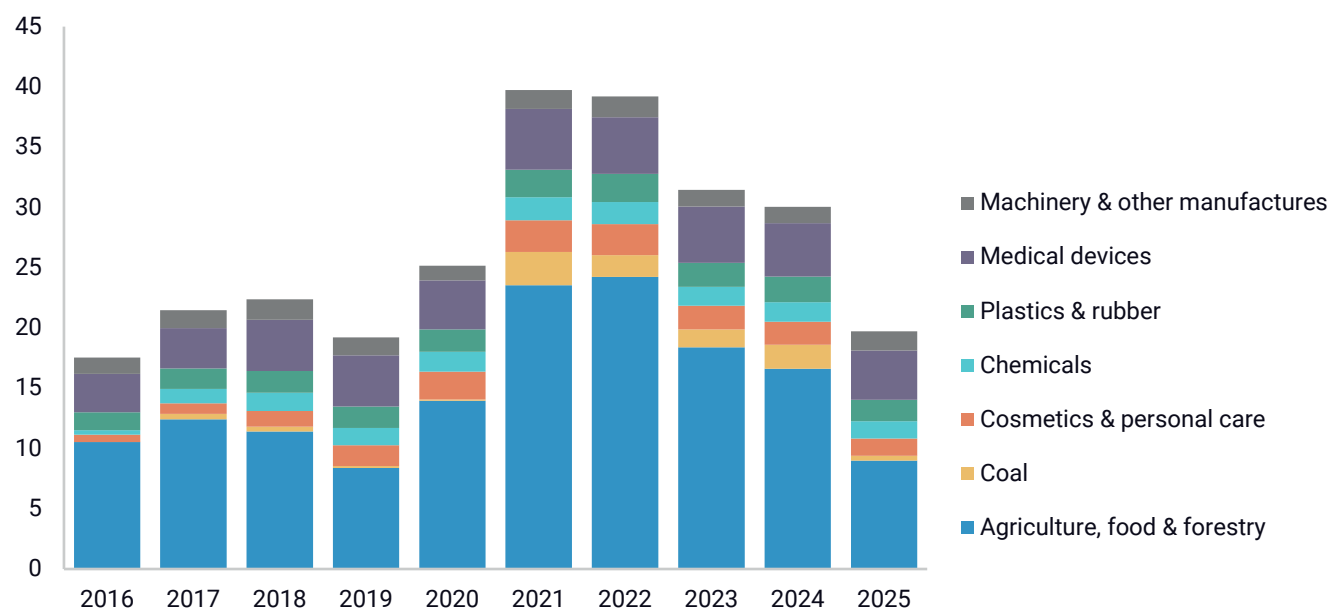
China's list, on the other hand, includes agricultural products, coal, and other goods of core interest to the Trump administration, like medical devices. While these are all categories where Beijing is actively looking to reduce dependence on the US, steep declines in Chinese imports of Board of Trade goods in recent years—from \$40 billion in 2021 to \$30 billion in 2024 and under \$20 billion in 2025—may give Beijing some headroom to lower tariffs (Figure 2).

¹ MOFCOM did not specify which 90% of products would return to MFN tariff rates, nor what would happen to tariff rates on the remaining 10% of products. The US side has not confirmed these details. For simplicity, the analysis throughout this note assumes that both sides will reduce tariff rates on *all* Board of Trade products to MFN levels.

FIGURE 2

Chinese imports from the US in Board of Trade products

USD billions



Source: ITC Trade Map

Beijing was also careful to preserve important bargaining chips. Soybeans, crude oil, and propane—all major US exports to China—were not included on the Board of Trade list. Categories like semiconductors and aircraft parts, where the US has [restricted](#) exports to China and where China has at times limited purchases of US goods, were also not included. Instead, the US and China are choosing to negotiate separately on other key areas, as seen in [reports](#) that China may allow some NVIDIA chip sales to ByteDance and Alibaba.

Comparing the scope and depth of tariff concessions

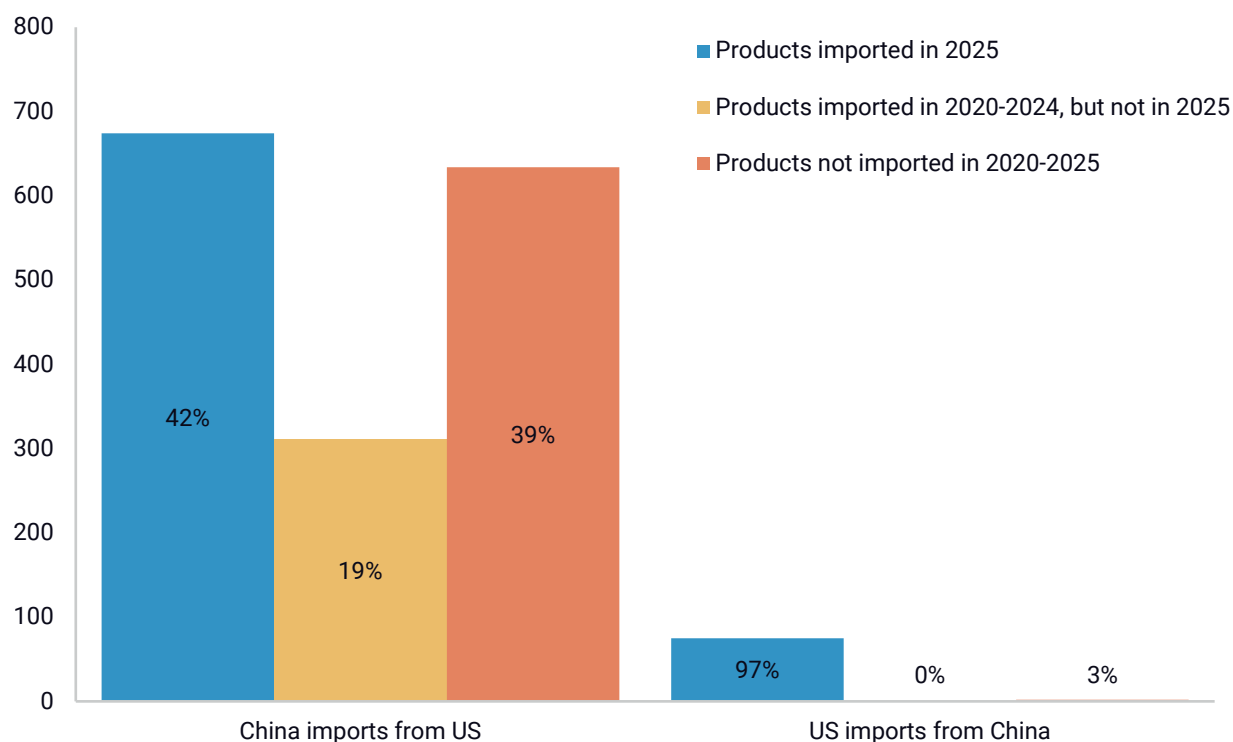
One striking difference between the two sides' lists is their sheer length. China agreed to lower tariffs on far more products than the US did. China's import list features 1,619 8-digit codes, compared with only 77 items on the US list.

Curiously, over half of the products on China's list are goods that China has not imported at all from the United States in the recent past. As many as 945 items that China included are products for which it recorded no imports from the US in 2025, compared with only two US-listed products without imports from China (Figure 3). Even examining all bilateral trade since 2020, China has recorded zero imports from the US for 634 Board of Trade products.

FIGURE 3

China's list is far longer and includes many products that it does not import from the US

Count of Board of Trade products by list and presence of bilateral imports



Source: White House, Trade Data Monitor, US ITC, Rhodium Group calculations

China's proposed tariff concessions are substantially deeper than those of the US, though China's tariffs would remain higher on average. Assuming both sides reduce all tariffs on their respective lists to MFN rates, China's trade-weighted average tariff on listed goods would fall from 41.7% to 13.7%, a reduction of 28.0 percentage points (pp).² The corresponding US average tariff would fall from 17.2% to 1.6%, a reduction of 15.6pp. US average tariff cuts at the 6-digit level are concentrated between 10 and 20pp (61% of goods represented on the Board of Trade fall in this range). By comparison, nearly 40% of China's cuts would exceed 30pp, compared with just 2% of US products.

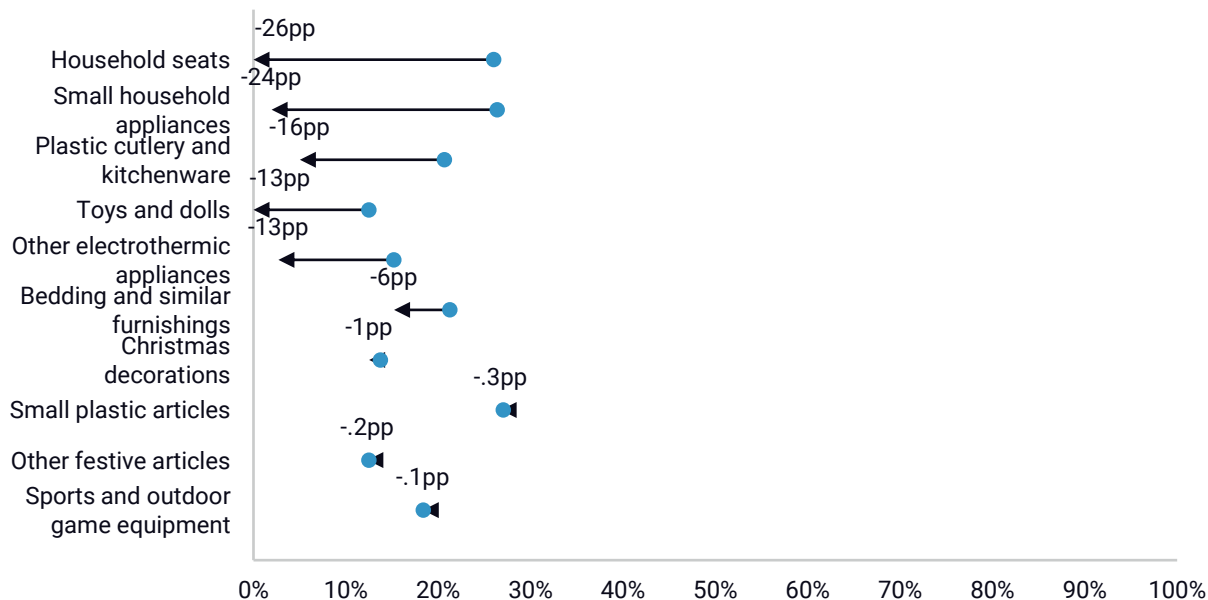
Zooming in on the largest traded products on each list, China's tariff reductions still appear larger. Aggregated to the 6-digit level, the ten largest imports on the US list would see reductions in the range of 0-26pp, compared with 14-51pp for China (Figures 4 and 5).

² To smooth out year-to-year fluctuations, we weight listed products by their average annual bilateral imports during 2020-2025.

FIGURE 4

US trade-weighted tariff cuts for largest import categories from China

Tariff rates, percent; reductions in percentage points

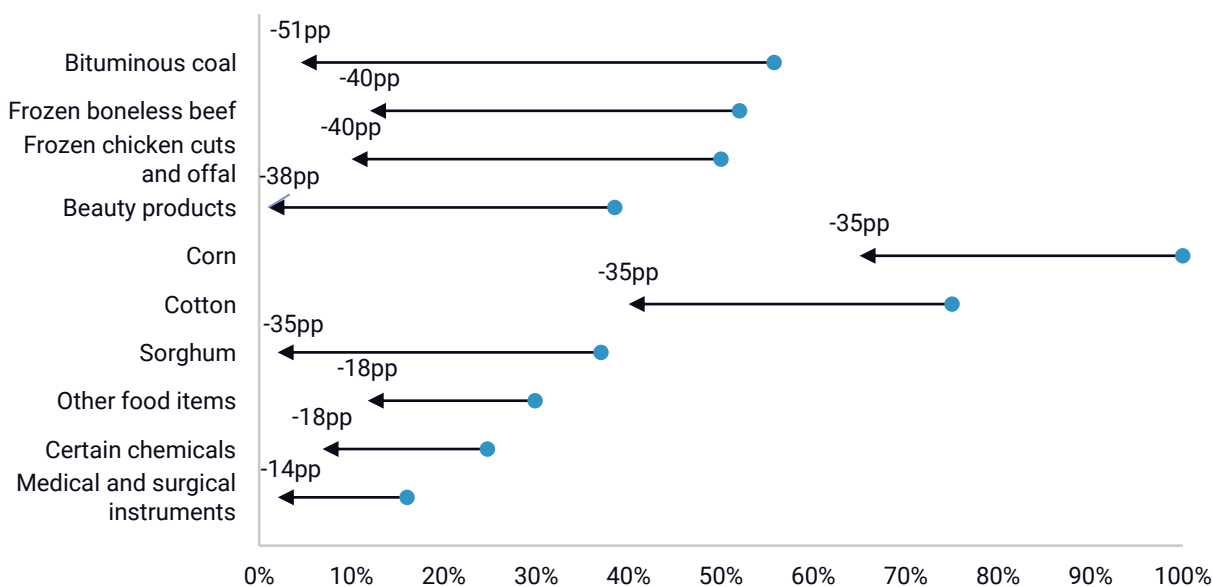


Source: Rhodium Group calculations, Trade Data Monitor, US ITC. Notes: Largest HS 6-digit categories selected based on annual average imports over 2020-2025. Tariff cuts are weighted by listed HS 8-digit products' share of imports within each HS 6-digit subheading.

FIGURE 5

China trade-weighted tariff cuts for largest import categories from US

Tariff rates, percent; reductions in percentage points



Source: Rhodium Group calculations, Trade Data Monitor, US ITC. Notes: Largest HS 6-digit categories selected based on annual average imports over 2020-2025. Tariff cuts are weighted by listed HS 8-digit products' share of imports within each HS 6-digit subheading.

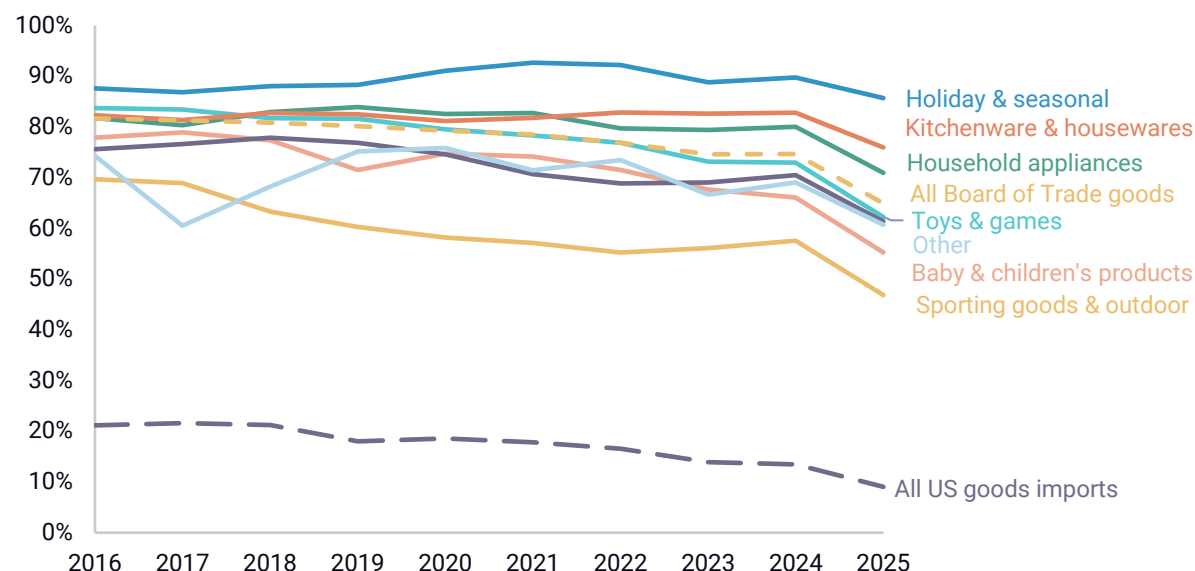
Assessing export potential

Cheaper Chinese exports of goods in the agreement will benefit US households currently facing higher prices. The US import list is full of consumer products it predominantly buys from China, despite current tariffs (Figure 6). Although China's share of US imports of Board of Trade products declined 10pp amid elevated tariffs in 2025, it still accounted for 65% and could readily rebound with lowered trade barriers. US consumers will likely benefit from import price reductions more than China, given China's lower level of import dependence on the US made it easier for its importers to avoid tariff-related costs.

FIGURE 6

China's share of US imports in Board of Trade goods

Share



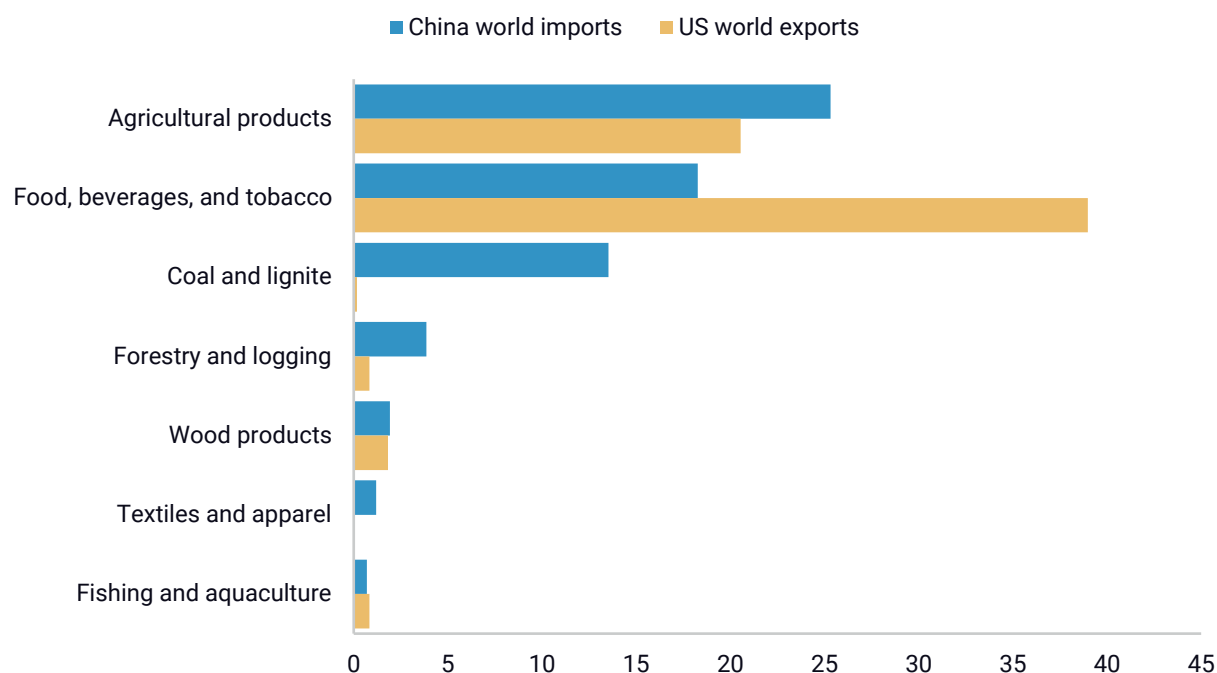
Source: US ITC

Given China's steeper tariff reductions, US exporters may have even greater upside, but securing opportunities relies on creating new Chinese demand for US products. As noted above, China's product list includes many goods that it has not recently imported from the United States. In most cases, these are goods that the United States exports to other countries and that China currently sources from elsewhere (Figure 7). However, true US gains will require new production and exports to meet Chinese demand, not simply shifting around preexisting trade flows.

FIGURE 7

China's import demand and US export supply have substantial overlap for covered goods

USD billions (annual average over 2022-2025)



Source: Rhodium Group calculations, Trade Data Monitor, UN Comtrade. Note: China data covers 945 HS 8-digit products drawn from its Board of Trade commitments for which China recorded zero US imports in 2025. US data covers US exports of the 626 corresponding HS 6-digit families.

Modeling the impact of the agreement

To test our analysis of the two lists, we simulated the agreement's potential economic impacts using the [Kiel Institute Trade Policy Evaluation \(KITE\) model](#). To do so, we first established a baseline of global bilateral tariff rates between 80 countries and a rest-of-world aggregate in 50 sectors present in global OECD input-output tables, using [tariff data from the WTO](#) as of late-September 2026. We then lowered US-China bilateral tariffs in affected sectors to levels proposed under the Board of Trade, and used the model to simulate how production, prices, and trade patterns across different economies might change relative to the status quo baseline.

Overall, the results indicate that US goods exports to China could increase by approximately \$10.6 billion, while China's goods exports to the US could rise by \$11.4 billion, relative to the baseline in which pre-agreement tariffs remain in place indefinitely (Tables 1 and 2). These results are sensitive to discretionary choices around tariff aggregation from individual products to the broader sectors used in the model. See the attached Methodological Appendix for full details and additional results under alternative assumptions.

US increases are spread across several sectors, led by food products (\$3.4 billion), agriculture (\$1.7 billion), and chemicals (\$1.4 billion). Coal exports also rise sharply from a small baseline. Conversely, China's modeled gains are more concentrated. Household

items, including textiles and bedroom linens, toys, and games account for roughly 80% of its estimated additional exports.

TABLE 1

US agricultural, chemical, medical instruments, and coal exports to China are estimated to increase

Top 10 sectors by value of increased exports over status quo

Increase in US exports to China	
Total increase in goods exports	\$10.6 billion
Food, beverages, and tobacco	\$3.4 billion
Agricultural products	\$1.7 billion
Chemicals	\$1.4 billion
Other manufacturing, including medical and dental equipment	\$1.2 billion
Coal	\$824 million
Fishing and aquaculture	\$474 million
Computer, electronic, and optical products	\$399 million
Machinery and equipment	\$397 million
Wood products	\$362 million
Rubber and plastic products	\$302 million

Source: Rhodium Group analysis of KITE model simulations. Note: The increases reported in Table 1 are the differences between what our model estimates US exports to be under the pre-Board of Trade agreement scenario and post-agreement tariffs over a long-run (3-5 year) timeframe.

TABLE 2

China's goods exports to the US increase mostly in toys and games

Top 10 sectors by value of increased exports over status quo

Increase in China's exports to US	
Total increase in goods exports	\$11.4 billion
Household items, including toys, games, and household linens	\$9.3 billion
Electrical equipment	\$1.1 billion

Increase in China's exports to US	
Rubber and plastic products	\$632 million
Textiles, apparel, and leather products	\$278 million
Chemicals	\$141 million
Machinery and equipment	\$28 million
Computer, electronic, and optical products	\$4 million
Pharmaceutical products	\$4 million
Food, beverages, and tobacco	\$3 million
Agricultural products	\$1 million

Source: Rhodium Group analysis of KITE model simulations. Note: The increases reported in Table 2 are the differences between what our model estimates China's exports to be under the pre-Board of Trade agreement scenario and post-agreement tariffs over a long-run (3-5 year) timeframe.

Importantly, the results show a \$10.3 billion increase in total US goods exports to all trading partners, meaning only about \$0.3 billion of the bilateral export gains are offset by lower US exports to other destinations. For comparison, China's total goods exports to the world are modeled to increase by \$11.0 billion. Moreover, we conservatively assume that products without any recent bilateral trade receive zero weight in our tariff aggregation, so tariff rate reductions on those do not contribute to export gains in the model. Any potential trade creation in those categories therefore represents an additional upside opportunity for US exporters.

Monitoring will be key to the agreement's success

Both our analysis of the announced product lists and our model simulations suggest that the Board of Trade could open opportunities for US exporters and consumers, provided the tariff cuts are implemented faithfully. In practice, however, several obstacles could limit these potential gains, particularly on the US export side.

Non-tariff barriers could limit practical improvements to US market access in China. China's imports of the agricultural products and other raw materials that comprise most of its list are purchased by a small number of state-owned enterprises, giving Beijing the ability to influence import decisions irrespective of tariff rates. Behind-the-border barriers such as import licensing requirements, product approvals, and customs procedures could also prevent the Board of Trade from realizing its full potential.

In addition, there is reason to believe that China's existing tariff rates on its imports from the US are lower than our baseline scenario assumes, given its opaque set of company-specific exemptions and [product exclusions](#). While the full scope of these exemptions is not publicly known, if China's actual tariff rates are lower than advertised, this could limit US export gains when formal tariff rates are dropped.

For these reasons, sustained monitoring is essential to ensure the Board of Trade's success. The agreement will take time to implement, as each side secures support from domestic stakeholders and passes through legal procedures. Speaking at the G20 Trade Ministerial in Milwaukee, US Trade Representative Jamieson Greer said it was unlikely that US consumers would see lower tariffs on goods [before the holiday season](#). But if successful, the Board of Trade promises to serve as an effective pressure-release valve for the bilateral relationship. According to the official [Working Procedures](#) and [Terms of Reference](#), the two sides will meet at least once per quarter, and can also establish working groups to resolve issues in specific areas, such as agriculture. These working-level forums would provide an important venue for both sides to air trade-related grievances.

In any scenario, the Board of Trade will not fundamentally rebalance US-China trade. The "30-for-30" framework encompasses only 6.5% of 2024 US imports from China and 18.2% of China's imports from the US. Even if the US reduces all tariff rates on its import list to MFN levels, the overall trade-weighted average tariff on US imports from China would fall by just over one percentage point, given the list's limited scope and high US tariffs on most of its other imports from China. Meanwhile, USTR will soon release its wide-ranging Section 301 investigation into global excess capacity. These tariffs will alter the US trading profile and potentially impact the implementation of the Board of Trade agreement. When we have more details on these tariffs, we will release new modeling results.

Methodological Appendix

Our analysis employs the [Kiel Institute Trade Policy Evaluation \(KITE\)](#) trade model and estimates the effects of reducing tariffs on the products on the US-China Board of Trade lists to MFN rates. Our primary estimates of export changes compare a modeled baseline incorporating pre-agreement tariff schedules with a counterfactual in which the specified reductions take effect. We assume that goods listed on the agreement documents are reduced fully to their MFN rates, though we acknowledge that there is ambiguity in the implementation of the agreement.

Data sources

Our analysis combines three types of data: 1) product-level six- and eight-digit data drawn from UN Comtrade, Trade Data Monitor, and the US International Trade Commission, 2) WTO tariff rate data, and 3) OECD inter-country input-output tables used to calibrate the KITE model.

China's Board of Trade import list contains 1,619 8-digit HS codes, belonging to 1,061 6-digit families. The US list contains 77 8-digit codes, which maps to 49 6-digit families. We use annual bilateral imports from 2020-2025 to measure the listed products' share of trade within each family.

Our baseline, pre-agreement tariffs come from the [WTO Tariff and Trade Data platform](#), which tracks tariff actions on an ongoing basis for a subset of economies. For each importer, exporter, and 6-digit product, the baseline prioritizes the latest available applicable Tariff Tracker observation recorded in the platform where available, followed by preferential rates where applicable and then MFN rates where necessary. The selected US tariff observations are current as of September 3, 2026, while the Chinese tariff data is current as of May 1, 2026 (the last recorded tariff schedule change in the repository). The MFN schedules used for calculating the post-agreement reductions are those from 2025. Other economy tariff baselines draw from the same database, and are supplemented with tariff data from the [MAcMap-HS6 database](#) developed by CEPII.

Tariff level calculations

Running the KITE model requires calculating country-level average tariff rates in each of the model's 50 sectors. To do this, we map HS 6-digit subheadings to these sectors using the OECD's 2025 Bilateral Trade in Goods by Industry and End-use conversion key. We take the simple average of 6-digit tariff rates drawn from the WTO database among codes mapped to each sector to construct our global baseline tariff schedule. To run our primary estimate, we replace these simple averages with import-weighted averages for US imports from China and Chinese imports from the US (while retaining the existing tariff schedules for all other country pairs).

The calculation of imported-weighted sectoral average tariff rates for the US and China proceeds as follows:

1. **Measure Board of Trade-listed products' share of imports within each HS 6-digit subheading.** For 6-digit subheadings with non-zero bilateral imports during 2020-2025, we sum bilateral imports over 2020-2025, then divide imports of listed products by imports of all 8-digit products under the same 6-digit subheading:

$$c_h = \frac{\text{Imports of listed HS 8-digit products in subheading } h}{\text{Imports of all HS 8-digit products in subheading } h}$$

2. **Account for 6-digit subheadings without recorded imports.** China's list includes 307 HS 6-digit subheadings with no recorded imports from the US during 2020-2025. Their trade-based coverage share cannot be calculated because the denominator is zero. In this case, we apply an equal weight reduction to all 8-digit tariff codes within relevant 6-digit subheadings. **Though we calculate these values, our import-weighting scheme eliminates the contributions of these reductions to overall sectoral tariffs.** We retain these figures for use in alternative assumption tests (see below).
3. **Calculate the post-agreement tariff for each 6-digit subheading.** For each 6-digit subheading, we take the recorded baseline tariff rate from the WTO database and subtract out the difference between that and the MFN rate in proportion to c_h , the import-weighted share of listed goods under each subheading:

$$t_h^{post} = t_h^{baseline} - c_h \max(t_h^{baseline} - t_h^{MFN}, 0)$$

For example, suppose a 6-digit subheading has a baseline tariff of 30%, and MFN tariff of 10%, and Board of Trade listed products account for 60% of its recorded imports. Its average tariff rate would thus fall by 12 percentage points (30-6(30-10)), to 18%.

4. **Aggregate 6-digit rates into sectoral tariffs for input into the KITE model.** Once we've calculated each 6-digit rate, we group these according to the OECD mapping described above and then calculate an import-weighted average of each 6-digit subheading to arrive at the sectoral average tariff rate. This means that 8-digit listed products with higher values of trade will contribute relatively more to the 6-digit subheading tariff calculation than those with lower values of trade, and 6-digit codes with higher values of trade will receive greater weight in determining the sectoral average tariffs than other 6-digit codes with lower values. This calculation is simply:

$$a_{hs} = \frac{\text{Imports of subheading } h}{\text{Imports of all matched subheadings under sector } s}$$

As before, these import values are calculated as sum totals over 2020-2025, to smooth out yearly differences in import values.

This step is performed twice: once using the 6-digit data from step 1 and once using the results from applying reductions in step 3. This yields a baseline tariff schedule prior to Board of Trade cuts, and a test scenario with Board of Trade cuts.

Running model scenarios with our calculated sectoral tariffs

To simulate the effect of Board of Trade-related tariff cuts, we first solve our model using the baseline global tariff schedule generated by the sectoral tariff calculations above. We then re-solve the model using the post-agreement schedule incorporating tariff reductions. Our reported trade flow increases compare these two modeled scenarios (the 'baseline' and the 'test').

KITE uses the provided sectoral tariffs to calculate changes in sourcing, input costs, prices, production, and income throughout the global economy. The model makes several assumptions, including that aggregate national trade balances are held fixed (although bilateral balances can change, as well as total import and export levels).

Because it solves for an equilibrium, the model does also not provide a clear “time frame” for these results. Instead, the expected period of adjustment is tied into model parameters concerning the elasticity of trade (i.e., how fast do trade patterns adjust in the face of a tariff shock). For our purposes, we elected to use the ‘long-run’ interpretation of the model, where elasticities of trade imply potentially a 3–5-year adjustment period.

For full KITE model details, we refer the reader to the [KITE Model Suite white paper](#).

Alternative assumptions

The model estimates are primarily driven by the scope and depth of tariff cuts made by each side, and hence, our results are highly sensitive to the assumptions and choices made to aggregate tariff line concessions to sectoral average tariff rates. In preparing our estimates, we extensively tested alternative assumptions. Below, we explain some of these alternative modeling assumptions.

Main specification: imported-weighted tariff reductions. Our main specification as reported in our research note weights tariff reductions within each HS 6-digit subheading by Board of Trade-listed 8-digit products’ share of bilateral imports over 2020–2025. We then use each subheading’s share of sectoral imports to calculate both the baseline and post-agreement sectoral tariffs. This approach reflects the commercial importance of different products rather than giving every 6-digit subheading equal weight. Entirely untraded subheadings receive zero weight within the sector. Under these assumptions, US goods exports to China increase by \$10.6 billion, while Chinese goods exports increase by \$11.4 billion.

Simple sector averages. Historical trade weights may understate concessions on products whose trade has already been suppressed by tariffs or other barriers. We therefore test an alternative that gives every mapped six-digit subheading equal weight within its sector. For subheadings with recorded trade, we retain the same 8-digit import-coverage adjustment. For entirely untraded subheadings, we calculate coverage using listed 8-digit tariff lines as a share of all tariff lines in the country’s tariff schedule. For a hypothetical example of a 6-digit subheading with two 8-digit codes listed on Board of Trade and two unlisted, that subheading would receive half the baseline-to-MFN reduction. Under this approach, US goods exports to China increase by \$9.6 billion and Chinese goods exports to the US increase by \$2.7 billion. These percentages are calculated over a different baseline expectation of trade flows, as the baseline scenario uses a different calculated global tariff schedule.

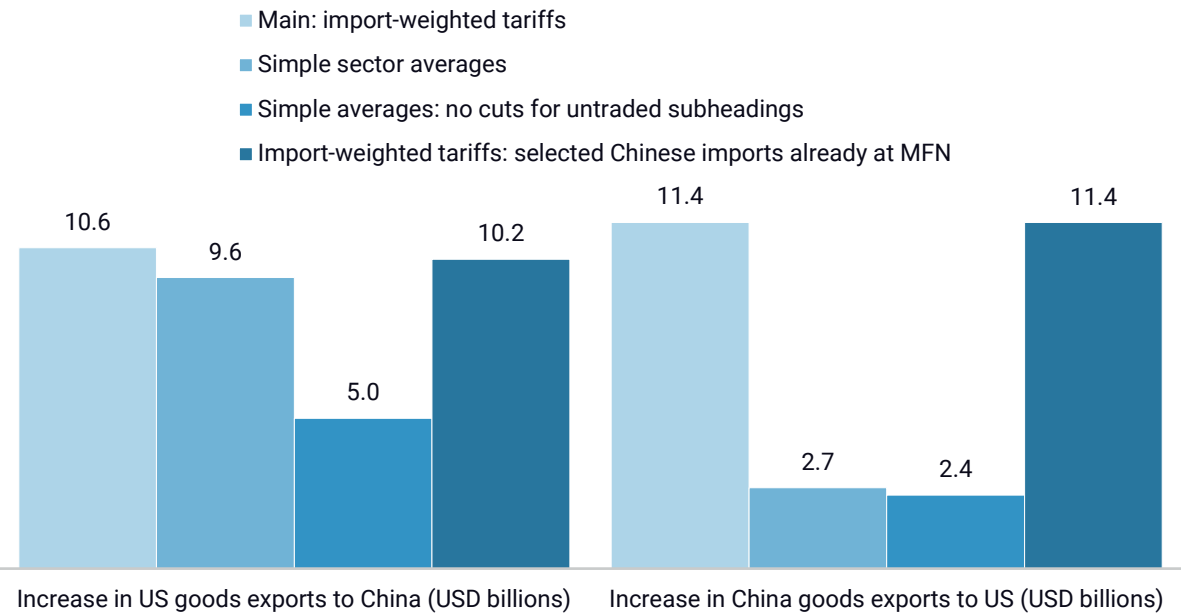
No tariff cuts for untraded subheadings under simple sector averages. We repeated the simple-average calculation above while leaving entirely untraded subheadings at their baseline tariffs. This functionally treats listed 8-digit products with no trade as unlisted, and having this comparison shows that untraded subheadings would account for a substantial portion of the US expected gain under the simple averaging method (and highlights the need to import-weight the calculations). Under this assumption, US goods export gains fall to \$5 billion, while Chinese gains fall to \$2.4 billion.

Selected Chinese imports are assumed to already receive MFN treatment. Published tariff schedules may overstate the duties actually paid by importers, should they be currently benefiting from exemptions. We therefore test whether our results change when select Chinese imports from the US are assumed to already enter at MFN rates, regardless of whether they appear on or off the Board of Trade list.

These products were drawn from prior reporting of known exemptions and include selected semiconductors, turbojets and other gas turbines, aircraft parts and launching equipment, acyclic hydrocarbons, immunological products and vaccines, medicaments, medical surgical, and dental instruments, and diagnostic reagents. We lower their starting tariffs, solve a revised baseline, and prevent exempt products from receiving an additional Board of Trade cut. The results do not substantially change: US export increases are modeled at \$10.2 billion, and Chinese export increases to the US are modeled at \$11.4 billion figures roughly in line with our main specification.

A summary of the expected absolute increase over baseline exports under each model assumption for both the US and China is presented in Figure A1.

FIGURE A1
Modeled goods export increases under Board of Trade for US and China under varying tariff aggregation assumptions
USD billions; absolute increase over modeled baseline goods exports without agreement



Source: Rhodium Group analysis of KITE model simulations, WTO, Trade Data Monitor, US ITC

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