



## **Trump levies \$50 billion in tariffs on Chinese goods, and Beijing retaliates**

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Approved by the State Council, the Customs Tariff Commission of the State Council chose to impose additional duty of 25 per cent on 659 items of USA products worth about 50 billion U.S. dollars, Xinhua reported. Analysts, however, did not expect the USA tariffs to inflict a major wound to China's economy and said the trade dispute likely would continue to fester.

But it isn't always clear whether the United States is seeking to curb China's sharp-elbowed practices or to keep it from emerging as a legitimate rival. CGTN's Asieh Namdar spoke with Dan Ikenson, an expert on trade at the Cato Institute, a think tank in Washington, on the current trade tension between China and the U.S. Separate measures affecting 284 products worth about \$16 billion (€13.8 billion) could take effect following a review and public comment process. The Trump administration has sought to protect consumers from a direct impact from the tariffs. "China is our real trade enemy, and their theft of intellectual property and their refusal to let our companies compete fairly threatens millions of future American jobs", Schumer said in a statement.

Trump has promised its voters that it will reduce U.S. trade imbalance, of which China accounts for most part, 375 billion of dollars over a total of 556,000 a year ago. Trump also is looking for tariffs on another \$100 billion of Chinese products. Most are farm goods or farm-related products, which could hurt Mr. Trump politically in rural states while limiting the damage to China's economy, as it's easier to find substitute sources. "It generally focuses on products from industrial sectors that contribute to or benefit from the "Made in China 2025" industrial policy, which include industries such as aerospace, information and communications technology, robotics, industrial machinery, new materials, and automobiles", USTR announced in a statement Friday.

The rate is the same, 25 percent, and so is the collective value of the goods-\$50 billion. An official in charge of the Office of the Customs Tariff Commission said that the additional tariffs targeting Chinese goods, once imposed, would "substantially change" the trade conditions of these goods, and affect relevant producers and trade companies as well as the production and

operation of the upstream and downstream industries. Beijing and Washington had held three rounds of high-level talks since early May but failed to reach a compromise.

US Trade Representative Robert Lighthizer said the US would begin collecting duties on 818 Chinese imports valued at \$34 billion as of July 6. Trump has threatened to hit China with duties on another \$50 billion of goods if it retaliates. Earlier, in mid-May, the USA and China had announced a cease-fire after two rounds of trade negotiations. Hart said reduced China demand and lower prices for soybeans will help drive increased demand from other global markets.

Johnson said her group agrees that the Chinese haven't played fairly on trade, "but right now we feel like we're a bargaining chip" in the negotiations. China will bark back. China in April already put punitive duties on 128 USA goods, including pork, wine and certain pipes in response to global United States tariffs on steel and aluminum imposed by Trump the month before.

As countries can not have formal ties with both Beijing and Taipei, which would mean "two Chinas", most recognize Beijing, including the US. USTR also plans to establish a process for USA companies to request permission to continue importing the targeted items on a duty-free basis.