

China to impose 'equal tariffs' on U.S. goods

Ties sour: U.S. President Donald Trump and Chinese President Xi Jinping in Beijing in November last year. AP/Andrew Harnik

China on Friday swiftly retaliated by telling that it would impose "equal" tariffs on U.S. products following a decision by U.S. President Donald Trump to slap duties on \$50 billion of Chinese products. "We will immediately launch tax measures of equal scale and equal strength," the Commerce Ministry said in a statement on its website which also called on other countries to "take collective action" against this "outdated and backward behaviour".

China would also negate agreements it had reached with the U.S. during previous consultations over the penalties, it said.

The statement followed closely on the announcement that Mr. Trump would target \$50 billion in Chinese imports with tariffs, making good on a pledge to punish the alleged theft of U.S. intellectual property.

In a statement, he warned of "additional tariffs" should China hit back with tit-for-tat duties on American goods and services exports.

'Harmful conduct'

"Launching a trade war does not accord with global interests," the Chinese Commerce Ministry said. "China definitely does not want a trade war, but in the face of the U.S.'s malicious, harmful and short-sighted conduct, China has to impose powerful countermeasures and resolutely defend the national interest and the people's interests," it said.

Mr. Trump's announcement capped months of sometimes fraught shuttle diplomacy between Washington and Beijing, in which Chinese offers failed to assuage Mr. Trump's grievances over the soaring U.S.-China trade imbalance.

U.S. Trade Representative Robert Lighthizer said on Friday that the United States would begin collecting duties on 818 Chinese imports valued at \$34 billion as of July 6.

A second tranche of 284 goods valued at \$16 billion — which would bring the total to \$50 billion — will undergo an additional process of review and public comment, according to the trade representative's office.

The Chinese Commerce Ministry did not provide details of how it planned to implement the new duties. China previously issued a list of U.S. products it would hit with tariffs in the event of a trade war, from big products like soya beans and beef to more niche items such as bourbon and ginseng.

Earlier, Mr. Trump announced tariffs of 25% targeting \$50 billion in Chinese imports. "The United States can no longer tolerate losing our technology and intellectual property through unfair economic practices," Mr. Trump said in the statement. "These tariffs are essential to preventing further unfair transfers of American technology and intellectual property to China, which will protect American jobs."

Defensive action: U.S.

The White House maintains that any Chinese countermeasures would be unjust and met with further U.S. sanctions. “We have taken essentially a defensive action,” said a senior official. “If they think that the appropriate response to this is further threats that are going to hurt other industries, I think that would be a mistake on their part.”

The offensive is only one side of Mr. Trump’s multi-front trade confrontation with all major U.S. economic partners.

Mr. Trump outraged Canadian, Mexican and European leaders last month by imposing punishing tariffs on imports of steel and aluminium to protect American producers from allegedly unfair competition.

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