

China warned of ‘substantial’ trade war tariff increases by US President Donald Trump if deal is not reached

- In a speech in New York, the US president reiterates that scheduled 15 percent tariffs will be imposed on December 15 if a deal is not reached
 - Interim agreement expected to include a US pledge to scrap tariffs scheduled for December 15 on about US\$156 billion worth of Chinese imports
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US President Donald Trump speaking in New York on Tuesday. Photo: AP

US President Donald Trump lambasted China’s trade practices and warned of “substantial” tariff increases in a speech in New York on Tuesday, despite saying that “a significant phase one trade deal could

happen soon”.

Even though suggesting the deal is to be signed, Trump said: “we will only accept the deal if it’s good for the United States and our workers at our great companies”.

“I tell it to everybody. If we don’t make a deal, we will substantially raise those tariffs. They’ll be raised very substantially. That’s going to be true for every other country that will mistreat us too. There are a few that haven’t mistreated us,” he said.

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His remarks, at an event hosted by the Economic Club of New York, came as the world looks to see if the two largest economies are able to agree on a phase one deal that would begin to wind down the 17-month-long trade war.

China “is having the worst year in more than half a century, their supply chains are cracking very badly and they are dying to make a deal,” Trump added. “But we are the ones that are deciding whether or not we want to make a deal.”

An interim agreement is expected to include a US pledge to scrap tariffs scheduled for December 15 on about US\$156 billion worth of Chinese imports including mobile phones, laptop computers, and toys. In his speech, Trump reiterated that the tariffs are “going to 15 percent very soon” if a deal is not reached.

“Trump’s statements about a prospective trade deal in the near term were more measured” compared with when he announced a “substantial phase one deal” last month, said Anna Ashton, senior director of government relations at the US-China Business Council.

Speaking at the White House on October 11 after a round of high-level talks, Trump said that US negotiators had reached a deal that would delay the implementation of more tariffs, and that he expected he and his

Chinese counterpart, Xi Jinping, might sign the agreement when they met in mid-November at the Asia-Pacific Economic Cooperation (Apec) summit in Chile.

But even after the summit was canceled because of domestic unrest in the host country, Ashton said on Tuesday, “the same incentives for the Trump administration to reach a deal remain.”

“Securing agricultural purchases, in particular, almost certainly remains a high priority, since farmers have continued to bear an awful lot of pain as the trade war has dragged on,” she said.

“The mixed messages are in keeping with the president’s penchant for unpredictability, which, he often contends, enhances his negotiating leverage,” Wyne said.

The Chinese foreign ministry said on Thursday that China and the US had agreed to remove additional tariffs in stages once an interim deal is signed.

Both sides are working to finalize details of the agreement, the foreign ministry said. Officials in the US and China would then decide how many of the duties would be scrapped in the first phase.

In Washington, however, no official word about tariffs has come from the Office of the US Trade Representative or the White House. News outlets including Bloomberg cited anonymous US officials in reporting the rollbacks, but Trump denied such an agreement on Friday.

Asked by reporters at the White House if he would remove the punitive tariffs, Trump said: “They’d like to have a rollback. I haven’t agreed to anything.”



US National Security Adviser Robert O'Brien with Chinese Premier Li Keqiang on the sidelines of the Asean Summit in Bangkok. Photo: AP

At the White House on Sunday, Trump said that if a deal was reached, it would be signed somewhere in the US, with the location of the signing now a central question following the cancellation of the Apec summit.

“First of all, I want to get the deal,” he said. “The meeting place, to me, is going to be very easy.”

US Commerce Secretary Wilbur Ross, who is not a key member of the US negotiating team, told Bloomberg that Iowa, Alaska, Hawaii and even locations in China were all possibilities.

In talks with Ross and US National Security Adviser Robert O'Brien in Bangkok on Monday, Chinese Premier Li Keqiang said that China and the US must stabilize their relations and resolve their differences on the basis of mutual respect.

The breakthrough in the talks came after China pledged to buy as much as US\$50 billion worth of US agricultural products and open up its financial markets further to foreign investors.

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<https://www.scmp.com/news/china/diplomacy/article/3037458/donald-trump-takes-swipes-china-says-phase-one-trade-deal>

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