

TRADE WAR: US and China relations on BRINK over explosive documents

US and Chinese relations are on the brink of a disastrous trade conflict as a series of explosive documents were delivered to the White House.

This comes as President Trump considers imposing broad restrictions on steel and aluminium imports over an investigation into Beijing's alleged theft of intellectual property. The findings of a US Commerce Department probe into the intellectual property theft and cyber-espionage will be revealed on Thursday.

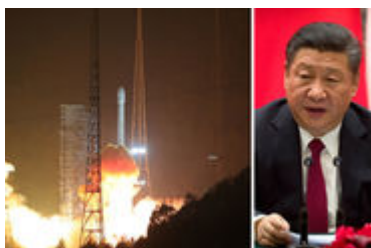
Mr Trump's opportunity to impose new tariffs or trade quotas follows a US Commerce Department Section 232 investigation that looked into whether foreign steel imports are a threat to US national security.

Next week, the results of a separate investigation of rising aluminium imports will go to the White House.

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China's excess production capacity for both steel and aluminium has emerged as a major trade irritant for the United States and Europe, prompting them to consider new steps to protect domestic industries and jobs from a flood of Chinese imports. Stories from Beijing last week suggested China could cut off purchases from US Treasuries if tensions escalate further.

Officials in Beijing were said to be angered by the US blocking Ant Financial's purchase of MoneyGram, and pressuring AT&T into abandoning its deal to sell Huawei's Mate 10 smartphone in the US over espionage concerns.

David Russet, former US assistant secretary of state for East Asia told The Telegraph: "The warning signs that some sort of tough trade action by the Trump administration are unmistakable."



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A National Security Strategy report, issued before Christmas, named China - along with Russia- as a rival seeking to “challenge American power, influence and interest, attempting to erode American security and prosperity”.

Beijing was angered by the report, and the Foreign Ministry said: “We urge the US side to stop deliberately distorting China’s strategic intentions and abandon such outdated concepts as the Cold War mentality and the zero-sum game - otherwise it will only end up harming itself as well as others.”

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Meanwhile, China reported on Friday that exports and imports growth slowed in December after surging in the previous month, adding to signs of ebbing economic momentum as the government extends a crackdown on financial risks and factory pollution.

Source: <https://www.express.co.uk/news/world/904984/us-china-trade-war-tensions-explosive-documents>

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