

GOVERNMENT

US-China trade truce ends

August 2, 2019



Apple's iPhones are among the products that are being hit with the latest round of tariffs. Image credit: Apple

By STAFF REPORTS

President Donald Trump is planning to put tariffs on an additional \$300 billion worth of goods from China, as the two largest economies continue their trade dispute.

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Slated to kick in Sept. 1, a 10 percent tariff would affect categories including iPhones, toys and sneakers. China is reportedly promising to fight back if the U.S. goes forward with these additional tariffs, likely further escalating the ongoing trade war.

Picking up

On Aug. 1, President Trump put out a series of tweets that called for tariffs on goods that were previously unaffected in the trade war.

In his statement, the president said that the new tariffs were due to broken promises from China, including the nation's pledge to cease the sale of fentanyl to the U.S. and its agreement to buy more agricultural products from America.

Our representatives have just returned from China where they had constructive talks having to do with a future Trade Deal. We thought we had a deal with China three months ago, but sadly, China decided to re-negotiate the deal prior to signing. More recently, China agreed to...

Donald J. Trump (@realDonaldTrump) **August 1, 2019**

Tweet from President Trump

A report from CNN says that the tariffs were issued after Mr. Trump met with members of his trade team that morning to get an update on talks in Shanghai.

"As we've said repeatedly, we support the administration's goal of restructuring the U.S.-China trade relationship," said David French, senior vice president for government relations at the National Retail Federation, in a statement.

"But we are disappointed the administration is doubling-down on a flawed tariff strategy that is already slowing U.S. economic growth, creating uncertainty and discouraging investment.

"These additional tariffs will only threaten U.S. jobs and raise costs for American families on everyday goods," he said. "The tariffs imposed over the past year haven't worked, and there's no evidence another tax increase on American businesses and consumers will yield new results.

"We urge the administration to bring our allies to the table and find new tools beyond tariffs to achieve better trade relations."



Balenciaga produces sneakers in China. Image credit: Balenciaga

According to CNBC, a spokesperson for China said that while the nation is hoping for a more peaceful solution to the trade talks, the country is prepared to fight back against the U.S.

In May, China retaliated after the United States threatened to raise tariffs on \$200 billion worth of Chinese goods.

Last week, President Trump decided to raise tariffs on Chinese imports from 10 percent to 25 percent, effective May 10. In response, China also planned to up duties on thousands of products to 25 percent, causing U.S. stocks to take a hit on May 13 ([see story](#)).

In June, Mr. Trump announced that the tariffs would not be implemented, as the two nations reinstated negotiations to try to end the trade war.