Beijing adds 25% to tariffs of US products

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China announced on Wednesday a list of US products valued at $50 billion annually that are subject to additional tariffs as a reciprocal trade measure to safeguard its legitimate interests.  
The central government will slap a 25 percent tariff on 106 US goods across 14 categories, such as soybeans, automobiles, passenger airplanes and chemicals, the Ministry of Commerce announced on its website.  
This is the second round of China's reciprocal tariffs.  
When these tariffs take effect will depend on when the US imposes extra tariffs on 1,300 made-in-China products, including industrial robots, machinery and pharmaceuticals, the ministry said in its announcement.  
To support the World Trade Organization's authority, China also filed — in accordance with WTO dispute settlement procedures — a consultation request on Wednesday on the US proposal for additional tariffs on Chinese goods under Section 301 of the US Trade Act of 1974, and it officially launched the WTO dispute settlement procedure.  
"China does not want a trade war with the US," Wang Shouwen, vice-minister of commerce, said at a news conference on Wednesday afternoon. "But China is not afraid of one."  
Wang said China will fight to the end if the US continues following its errant path, but the door for dialogue and negotiation remains open.  
China's announcement came shortly after the US administration released a proposed list of Chinese export products worth $50 billion that would be subject to a suggested additional 25 percent tariffs.  
According to the Office of the United States Trade Representative, the proposed list will undergo further review in a public notice and comment period and a hearing. When that is completed, the office will issue a decision on products subject to the additional duties.  
Asked whether China would dump US Treasury bonds in retaliation, Vice-Minister of Finance Zhu Guangyao said China's priority in managing its foreign exchange reserves is ensuring its financial security.  
Maintaining liquidity and seeking moderate profitability are also guiding principles in foreign exchange reserves decisions, Zhu said.  
China has followed the same foreign exchange investment principles for many years, with the domestic goal of protecting the people's property while being a responsible investor in the global capital market, said Zhu.  
Wei Jianguo, former vice-minister of commerce, said the countermeasures China is working on would not be limited to the agricultural and manufacturing sectors and could include tourism and other industries.  
"We have seen in the history of the multilateral trading system that Section 301 has been wildly abused at times by the US to coerce other members in its own industrial interests. Such unilateral actions were strongly opposed by other countries," Chinese Ambassador to the WTO Zhang Xiangchen said in Geneva.  
In early 2000, the WTO adopted a clear ruling on Section 301 in DS152, a dispute lodged by the European Union. Since then the provision has been shelved for nearly two decades.  
While the "explicitly, officially, repeatedly and unconditionally confirmed" commitments undertaken by the US in that dispute are still unambiguously written in the WTO rulings, Zhang said, the US has now turned its back on them and blatantly taken unilateral measures against China.  
Early on Wednesday, China denounced the US government's announcement of tariffs slapped on 1,300 Chinese products under a Section 301 investigation.  
"We have the confidence and capability to respond to any US protectionist measures," Foreign Ministry spokesman Lu Kang said in a statement.  
"The US action has recklessly disregarded the 40 years of China-US economic cooperation, which has been mutually beneficial and win-win in nature. It has recklessly disregarded the outcry from the business community and the interests of consumers.  
"It serves neither China's nor the US's interests, and is even less in the interest of the global economy," Lu said.  
The Chinese embassy in Washington said in a statement, "We hope that the US side, with sense and the long-term picture in mind, refrains from going further down the wrong path".  
The Office of the US Trade Representative said the proposed list of products subject to added tariffs is based on extensive interagency economic analysis and targets products that benefit from China's industrial plans while minimizing the impact on the US economy.  
Targeted sectors include industries such as aerospace, information and communications technology, robotics and machinery. The list covers mostly industrial products and non-consumer goods, such as aircraft seats, military rifles, machine parts, instruments, medical products, video monitors, and furnaces and ovens.  
US Trade Representative Robert Lighthizer and White House trade adviser Peter Navarro both said recently that the Section 301 tariffs would primarily target Chinese industries under the Made in China 2025 strategy.  
Lighthizer has described that strategy as a threat to the global trading system, while Navarro said China was "going to dominate every single emerging industry of the future" and would therefore threaten the future of other economies.  
The Made in China 2025 plan, unveiled in 2015, highlighted 10 sectors in advancing China's modern manufacturing power — information technology, high-end machinery and robotics, aerospace, marine equipment and ships, advanced rail transport, new energy vehicles, electric power, agricultural machinery, new materials and biomedicine.  
Premier Li Keqiang said in Beijing last week that the Made in China 2025 strategy is an open and fair environment with equal treatment of domestic and overseas businesses.  
"China will not force any technology transfer from any foreign company and will enhance efforts to protect intellectual property rights and severely crack down on infringement, and China welcomes more globally competitive businesses to share the China growth opportunities," Li said.  
Chen Jia in Beijing and Chen Weihua in Washington contributed to this story.

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