US companies may miss opportunities in China

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US enterprises may miss the opportunity to benefit from China’s ongoing opening-up process if the Sino-US dispute escalates, experts from top government think tanks said on Thursday.  
“Some of China’s opportunities may not apply to US enterprises, based on WTO rules and China’s Foreign Trade Law,” said Wei Jianguo, a former vice-minister of commerce and current vice-president of the China Center for International Economic Exchanges. “Once the US tariff measures against Chinese products take effect, China will immediately adopt countermeasures.”  
According to the Office of the United States Trade Representative, the proposed US list under Section 301 of the US Trade Act of 1974 will undergo further review in a public notice and comment process, including a public hearing. After completion of that process, the trade representative office will issue a final determination on products subject to additional duties.  
Wei said the US review period to seek public comment is just a “stalling tactic” used in the hope that China will change its mind.  
Larry Kudlow, the new director of the White House National Economic Council, told NBC News that it’s possible that US President Donald Trump’s tariffs are a negotiating tactic and won’t actually take effect. “Yes, it’s possible. It’s part of the process,” he said.  
Their comments came hours after China announced it would slap 25 percent tariffs on 106 US products worth $50 billion, ranging from soybeans and cars to whiskey and airplanes. That was a response to the 25 percent tariff on 1,300 Chinese products worth $50 billion announced by the US Trade Representative on Tuesday, following a Section 301 investigation into China’s intellectual property policies and practices.  
Amid speculation that a major tariff war may not materialize, the Dow Jones industrial average fluctuated wildly on Wednesday, plunging 501 points after the opening bell but closing the day up 230 points at 24,263. The S&P 500 closed the day up 1.16 percent.  
“The essence of the Sino-US trade war is high-tech, and the US government’s pledge to address the trade deficit is just an excuse to curb the development of China’s high-end manufacturing sector,” said Ye Fujing, director of the Institute for International Economic Research, a think tank under the National Development and Reform Commission, the country’s top economic regulator.  
“Many categories that the US included in the list are important for China’s industrial upgrades, but the scale of their export to the US is not big at all,” Ye said.  
At a news conference on Wednesday, Vice-Minister of Commerce Wang Shouwen responded to a Twitter message by Trump. Wang said it is “absolutely unacceptable” to ask China alone to cut the country’s surplus with the US by $100 billion each year.  
Trade is carried out by companies and consumers from both countries on a voluntary basis, Wang said, adding that trade imbalances cannot be forced by government but are determined by the economic structures and industrial competitiveness of the countries involved.  
For Chen Wenling, chief economist at the economic exchanges center, the recent US trade moves involving China reflect a shift in strategic priorities.  
Chen said the Sino-US trade dispute is just the beginning of what will be an increasingly intense strategic competition between the two countries in the years ahead.  
“We should be prepared for a trade war that could last years, and take more preventive measures in other fields,” Chen said.

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