



Donald Trump

China unveils US tariffs and Google investigation in response to Trump levies

Tariffs on coal, LNG, crude oil and other goods announced after US imposes levy on imports

[US China tariffs - live updates](#)

[Business live - latest coverage](#)

Callum Jones *in New York*, **Helen Davidson** *in Taipei*, **Amy Hawkins** *and Philip Wen*

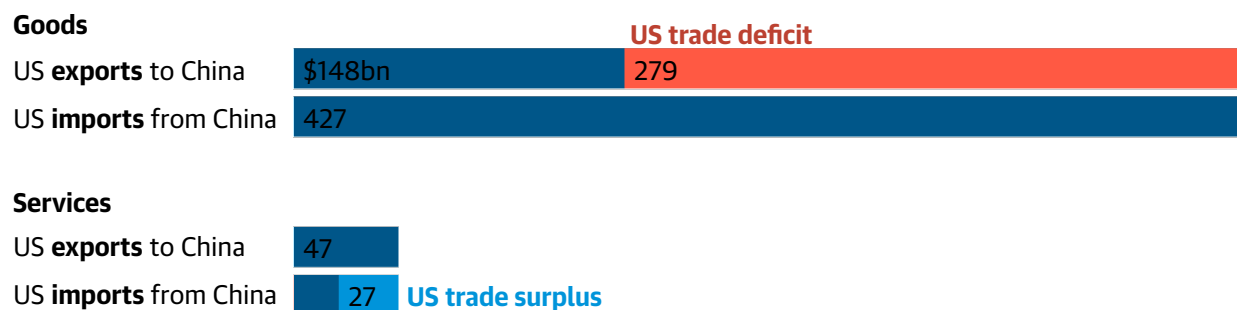
Tue 4 Feb 2025 11.01 EST

Donald Trump has fired the opening salvo of his trade war, imposing tariffs on China on Tuesday that sparked instant retaliation from Beijing, amid fears for the global economic repercussions.

Moments after US tariffs of 10% came into effect, **China** swiftly announced an anti-trust investigation into Google. China's finance ministry also announced 15% tariffs on coal and liquefied natural gas, and 10% on crude oil, farm equipment, large-displacement vehicles and pickup trucks from the US.

China's commerce ministry and its customs administration said on Tuesday that to "safeguard national security interests" the country was imposing export controls on a raft of critical minerals: tungsten, tellurium, ruthenium, molybdenum and ruthenium-related items.

In 2023, the US goods trade deficit with China reached \$279bn



Guardian graphic. Source: United States International Trade Commission

The commerce ministry also said it was adding the US companies PVH Group and Illumina Inc to its unreliable entity list, opening them to restrictions or penalties, without detailing what the companies were accused of. PVH is a clothing company that owns brands including Tommy Hilfiger and Calvin Klein. Illumina is a biotech company specialising in genomic sequencing that recently partnered with Nvidia on health-related AI tech.

In December, China launched an antitrust investigation into Nvidia, after a tightening of US export controls on hi-tech products popular in China. On Tuesday, the Financial Times reported that Beijing was considering adding US chipmaker Intel to the list of companies being investigated by China's antitrust regulator. China is Intel's largest market, and Nvidia's second-largest after the US.

Most of Google's services such as search and email are blocked in China. But the company still makes money in China from Chinese companies advertising overseas and from Chinese phone-makers using its Android operating system.

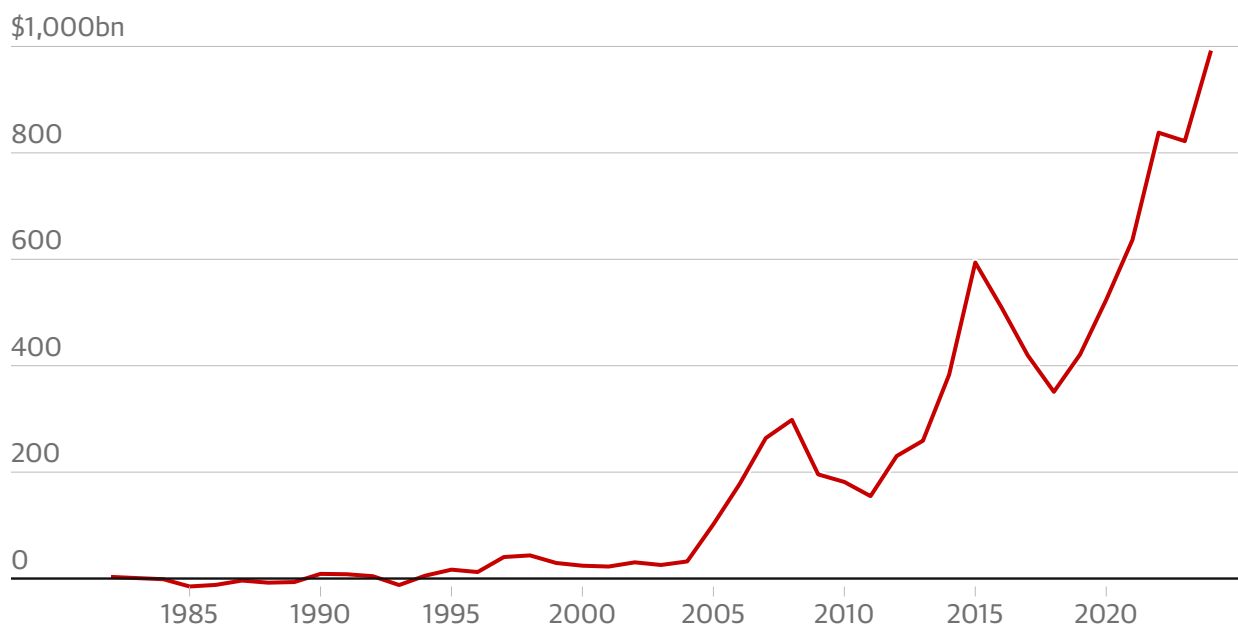
“The unilateral imposition of tariffs by the US seriously violates the rules of the World Trade Organization,” China’s finance ministry said in its statement announcing the retaliatory tariffs. “It is not only unhelpful in solving its own problems, but also damages the normal economic and trade cooperation between China and the US.”

Earlier, the US president **pulled back** from the brink of an economic conflict with Canada and Mexico, however, delaying threatened duties for another month after 11th-hour talks.

For exports from China, the US has scrapped an exemption through which shipments valued at less than \$800 (£644) have not faced tariffs. Popular Chinese retailers such as Shein and Temu have relied on the exemption to sell cheap goods in the US.

China's global trade surplus

Annual trade balance, \$bn



Guardian graphic. Source: General Administration of Customs of the People's Republic of China

After a call with Mexico’s president, Claudia Sheinbaum, on Monday, Trump agreed to postpone tariffs of 25% on **Mexico** - the latest of several delays - after she offered to send 10,000 of the country’s troops to its border with the US.

Talks with Justin Trudeau, the Canadian prime minister, also prompted Trump to postpone 25% tariffs on the country. **Canada** is implementing a \$1.3bn border plan, Trudeau said, and will appoint a fentanyl tsar, list cartels as a terrorists and “ensure 24/7 eyes on the border”.

As the US readied higher tariffs on China on Monday, the White House announced that Trump would speak later this week with China's president, Xi Jinping. Beijing earlier pledged to hit back with "countermeasures" and file a legal case against the US at the World Trade Organization.

Economists have warned Trump's tariff plans risk raising prices for millions of Americans, only weeks after he pledged, upon taking office, to "rapidly" bring them down.

Addressing reporters in the Oval Office on Monday, Trump maintained that tariffs were a "very powerful" means of strengthening the US economically and "getting everything else you want".

Every country wanted to agree a way to avoid US tariffs, the president claimed. "In all cases, they all wanna make deals."

Trump had conceded over the weekend that they could cause "a little pain" in the US. "WILL THERE BE SOME PAIN? YES, MAYBE (AND MAYBE NOT!)," he wrote on social media. "BUT WE WILL MAKE AMERICA GREAT AGAIN, AND IT WILL ALL BE WORTH THE PRICE THAT MUST BE PAID."

The reaction in global financial markets, which had recovered some of their losses on Monday after Trump's one-month delay, was mixed on Tuesday.

In Hong Kong, the Hang Seng share index jumped by almost 2.8%, while South Korea's Kospi rose by 1.3%. The FTSE 100 fell 31 points to 8,551 shortly after opening in London.

Sterling dropped by half a cent against the US dollar to \$1.24, while the euro was down a similar amount at \$1.03.

The Canadian dollar, which slumped to a 20-year low on Monday before rebounding, weakened - to 1.445 to the dollar.

Chinese markets remain closed because of the lunar new year holiday and will reopen on Wednesday.

Additional reporting by Graeme Wearden

Most viewed
