

China Strikes Back at the U.S. With Plans for Its Own Tariffs

By KEITH BRADSHER and STEVEN LEE MYERS

SHANGHAI — China hit back at the United States on Wednesday with proposed tariffs on \$50 billion worth of American soybeans, cars, chemicals and other goods, in a move likely to stoke fears that the countries' escalating confrontation could become an all-out trade war.

Moving with unusual speed, Chinese officials outlined plans to make it more costly to import 106 types of American goods into China. They are intended to hit the United States square in the farm belt — a major section of President Trump's political support but also a major supplier of what China stocks in its supermarkets.

Beijing's plan to institute new tariffs was announced just hours after the Trump administration detailed its own protections on a similar value of Chinese-made aircraft parts, cars and car parts, televisions, steel and much more. Following a previous round of tit-for-tat tariffs unveiled over the past few days, the new measures have sparked concerns that the dispute could widen further, hurting jobs and growth in both countries.

"China has never succumbed to external pressure," Zhu Guangyao, vice minister of finance, said at a news briefing on Wednesday. He added, "External pressure will only make the Chinese people more focused on economic development."

The question now is whether the two sides will intensify their efforts to punish each other before they sit down to negotiate. Neither set of tariffs go into effect right away, though the exact timing of the Chinese measures was not clear.

The dueling tariffs still do not impact the majority of trade between the two countries, which is valued at nearly \$650 billion a year. Still, economists say that the clash could escalate quickly if the two sides fail to find a way to quickly resolve their differences, threatening a commercial relationship that is essential to the world economy.

Letting the dispute turn into a test of wills would be a mistake, said Jie Zhao, a senior research fellow at Fudan University in Shanghai.

“We should negotiate in a professional way,” Ms. Zhao said, “and make it less ideological and emotional.”

China’s proposed new tariffs cover a significant chunk of what it buys from the United States. The protections on the \$50 billion of goods announced on Wednesday, together with those on the \$3 billion worth of products that Beijing unveiled earlier this week in retaliation for American tariffs on global steel imports, account for about a third of China’s American imports.

By contrast, because the United States imports significantly more from China, tariffs on the same amount of products make up roughly one-ninth of its Chinese imports. That gives the United States more room to find other Chinese products to target.

Even as Chinese officials struck a defiant tone on Wednesday, they still said they wanted to avoid escalating the conflict.

“China’s attitude is clear,” Mr. Zhu, the vice minister of finance, said. “We don’t want a trade war because a trade war would hurt the interests of both countries.”

China could still fight back in other ways. Its control over its domestic economy and news media, and its homegrown internet, give it a strong hand in controlling public opinion and minimizing the potential impact on its consumers. In the past, China has mobilized its vast ranks of consumers to turn up their noses at products from Japan, the Philippines and South Korea during political disputes, though getting Chinese consumers to stop buying iPhones and Chevrolets could be trickier.

The two sides are clashing with the future in mind. President Trump instituted his latest round of tariffs against China while citing Beijing’s government-driven efforts to retool the country’s economy to focus on the technologies of the future. Known as the Made in China 2025 program, the plan specifies efforts to build up cutting-edge industries like robotics, aerospace and electric cars.

Many companies in Europe and the United States say they fear the program will create state-supported competitors, an argument that has won backing in the Trump administration. Some companies say that Beijing finds ways to force them to hand over technology if they want to sell their wares in China, an allegation that Chinese officials dispute.

China appears to show little interest in putting the Made in China 2025 efforts on the negotiating table. A report in state-controlled media on Wednesday described the development of advanced manufacturing as “an inherent requirement for the transformation and upgrading of China’s manufacturing industry, and it is also the only way for China’s economy to enter a high-quality development stage.”

For now, China’s **new tariffs could create a more immediate issue for the Trump administration.**

While they include plenty of goods Americans make, they have a **heavy focus on products Americans grow**: soybeans, corn, cotton, beef, frozen orange juice, even tobacco and whiskey. **Many of those products come largely from Republican-dominated states**, where lawmakers might be expected to have some influence with President Trump and could therefore persuade him to back down from his latest trade demands.

For manufactured goods, the new Chinese tariffs include cars and car parts, plastics, aerospace products and chemicals. Many of those products are also sold by European companies, giving Chinese buyers alternatives. The new tariffs announced on Wednesday will amount to 25 percent on the American products.

Chinese officials — who blamed President Trump for provoking the clash — have appealed to the World Trade Organization, which sets trade rules and moderates disputes, to resolve the feud. But both sides risk censure by the W.T.O. — the Trump administration for its tariffs, and China for swiftly retaliating without a proper review.

“A key time has come for the United States and China to form a new consensus that includes **intellectual property** and the opening up of markets,” said Song Guoyou, the deputy chief of the Center for American Studies at Fudan University. “Otherwise, trade may fluctuate a lot.”