

Tariff Dispute Escalates Between the United States and China

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On August 23, the tariff dispute between the U.S. and China escalated further when President Trump sent a series of tweets admonishing China for its "politically motivated" retaliatory tariffs. Later that day, the President announced that, beginning on October 1, his administration would increase already existing tariffs on \$250 billion in Chinese imports from 25 percent to 30 percent. Furthermore, tariffs on \$300 billion worth of other goods would increase from 10 percent to 15 percent starting on September 1.

The President's actions on Chinese imports is a reaction to China's move to increase tariffs on items originating in the U.S. from 5 percent to 10 percent, which China implemented in a response to President Trump's initial tariff announcement. As a reminder, on August 13, the Trump Administration announced a 10 percent import duty on cellphones, laptops and other consumer goods made in China. The original implementation date for the import duty was September 1, but the President delayed the date to December 15. President Trump told reporters that his administration was "doing this for the Christmas season, just in case some of the tariffs would have an impact on U.S. customers...." Consumer goods from China affected by the tariff would include video game consoles, toys, computer monitors, footwear and clothing. Other items on the list include books, school supplies, clothing, beef, pork and many other food and agricultural items.

On August 29, a spokesman for China's commerce ministry stated that the country would not respond immediately to the latest tariffs imposed by President Trump.