
CHINA SAYS IT CAN'T HOLD US TRADE TALKS WITH 'KNIFE TO THE THROAT'

- 25.09.2018

Strait Times (25 September 2018)

China said on Tuesday (Sept 25) it was impossible to hold trade talks with the United States while Washington is imposing tariffs that are like "holding a knife to someone's throat".

Speaking a day after Washington activated tariffs on US\$200 billion (S\$273 billion) in Chinese goods, Vice-Commerce Minister Wang Shouwen said China is open to negotiations but that the two sides must treat each other "equally and with respect".

"Now that the US has adopted this type of large-scale trade restrictions, they're holding a knife to someone's throat. Under these circumstances, how can negotiations proceed?" Wang Shouwen told a news conference.

US Treasury Secretary Steven Mnuchin had invited Chinese officials to hold new talks, but President Donald Trump's latest tariffs salvo appear to have scuttled that effort.

Wang Shouwen met US officials in Washington in August but there have been no high-level meetings for months.

Wang Shouwen said on Tuesday the US measures "have made it impossible for the negotiations to proceed".

China's top diplomat State Councillor Wang Yi had a similar message when he spoke to US business leaders in New York.

He said confrontation between China and the United States means both sides lose, and talks with Washington cannot take place under threats and pressure.

Meeting representatives of the US-China Business Council and National Committee on United States-China Relations in New York, Wang Yi said certain US forces have been making groundless accusations against China on trade and security, China's Foreign Ministry said in a statement issued in Beijing on Tuesday.

These accusations against China have poisoned the atmosphere of Sino-US ties, Wang Yi added.

US tariffs on US\$200 billion worth of Chinese goods and retaliatory taxes by Beijing on US\$60 billion worth of U.S. products including liquefied natural gas (LNG) kicked in on Monday (Sept 24) as the trade dispute between the world's two biggest economies escalated, unnerving global

financial markets.

China also accused the United States of engaging in "trade bullyism", and said Washington was intimidating other countries to submit to its will, according to a white paper on the dispute published by China's State Council, or Cabinet, on Monday.

"The sharp criticism (from Beijing on Monday) suggests that China might prefer to wait out the current US administration, rather than embarking on potentially futile negotiations," Mizuho Bank said in a note to clients.

"Given these developments, it is increasingly likely that both sides will not resume negotiations for some time, at least until there is a noticeable shift in the political mood on either side."

Several rounds of Sino-US talks in recent months have appeared to produce no breakthroughs and fresh negotiations which had been expected in coming weeks have been cancelled after Beijing reportedly decided late last week not to send a delegation to Washington.

One cannot say that all previous trade discussions have been useless, but the United States has abandoned its mutual understanding with China, Wang Shouwen said.

China does not know why the United States has changed its mind after reaching an agreement with China on trade earlier, China's vice commerce minister said, apparently referring to talks in May when it appeared briefly that a framework was being sorted out.

US exporters including LNG suppliers would "certainly" be hurt, but Beijing's retaliation would provide opportunities to other LNG-exporting countries, Wang Shouwen said, adding that Australia is an important source of the fuel for China.

The state-backed Global Times wrote in an editorial on Tuesday: "China is a big and powerful nation, so whether it is a confrontation with China economically or militarily, it would come at a huge price."

"As such, it is an attractive prospect for other countries including the United States to coexist with China peacefully," said the newspaper, which is published by the ruling Communist Party's People's Daily.

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