
CHINA SAYS TRADE TALKS WITH THE U.S. WILL TAKE PLACE IN OCTOBER

05.09.2019

Time (05 September 2019)

by Joe Mcdonald

U.S. and Chinese envoys will meet in early October for more talks aimed at ending a tariff war that threatens global economic growth.

Stock markets rose on Thursdays announcement but there has been no sign of progress since Presidents Donald Trump and Xi Jinping agreed in June to resume deadlocked negotiations about trade and technology.

Earlier, investors were rattled by a report officials were struggling to agree on a schedule for talks originally planned for this month.

The agreement on a date came in a phone call conducted by the chief Chinese envoy, Vice Premier Liu He, with U.S. Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin, the Chinese Commerce Ministry said in a statement.

Chinas main stock market index was up 1.6% at midday following the announcement. Tokyos Nikkei 225 gained 2.3% and South Koreas main index rose 1%.

Beijing is balking at U.S. pressure to roll back plans for government-led creation of global competitors in robotics and other industries.

The U.S., Europe, Japan and other trading partners say those plans violate Chinas market-opening commitments and are based on stealing or pressuring companies to hand over technology.

The U.S. and China have raised tariffs on billions of dollars of each others imports, disrupting trade in goods from soybeans to medical equipment and battering traders on both sides.

In their latest escalation, Washington imposed 15% tariffs on \$300 billion of Chinese imports on Sunday, extending penalties to almost everything the United States buys from China. Beijing responded by imposing duties of 10% and 5% on a range of American imports.

U.S. tariffs of 25% imposed previously on \$250 billion of Chinese goods are due to rise to 30% on Oct. 1.

China has imposed or announced penalties on a total of about \$120 billion of U.S. imports,

economists estimate. Some have been hit with increases more than once, while about \$50 billion of U.S. goods is unaffected, possibly to avoid disrupting Chinese industries.

Beijing also has retaliated by canceling purchases of soybeans, the biggest single U.S. export to China.

Beijing has agreed to narrow its politically sensitive trade surplus with the U.S. but is reluctant to give up development strategies it sees as a path to prosperity and global influence.

Talks broke down in May over how to enforce any agreement.

China insists Trump's punitive tariffs must be lifted once a deal takes effect. Washington says at least some must stay to make sure Beijing carries out any promises.

The last round of talks in July in Shanghai ended with no indication of progress. Neither government has given any indication it is ready to break the deadlock by offering concessions.

Some analysts suggest Beijing is holding out in hopes Trump will feel pressure to make a more favorable deal as his campaign for the 2020 presidential election picks up. Trump has warned that if he is re-elected, China will face a tougher U.S. negotiating stance.

<https://time.com/5669425/china-us-trade-war-talks-october/>

Kaynak/Source: