

Trump will slap 10% tariffs on \$200 billion in Chinese goods — and they will go to 25% at year-end

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President [Donald Trump](#) will impose 10 percent tariffs on \$200 billion worth of Chinese imports, and those duties will rise to 25 percent at the end of the year.

The action, announced by the Trump administration Monday, escalates a trade conflict between the world's two largest economies. China has already threatened to retaliate against new duties.

The White House removed about 300 goods from a previously proposed list of affected products, including smart watches, some chemicals, and other products such as bicycle helmets and high chairs.

Trump, in a statement, said that the tariffs would rise to 25 percent on Jan. 1, 2019, adding that "if China takes retaliatory action against our farmers or other industries, we will immediately pursue phase three, which is tariffs on approximately \$267 billion of additional imports."

Trump has previously said that those additional duties are "[ready to go on short notice if I want.](#)"

The action will only ratchet up tensions between Washington and Beijing. The president seeks a new trade agreement amid complaints about alleged theft of intellectual property by Chinese companies and concerns about the U.S. trade deficit with China. The two sides have failed to reach a deal to resolve the White House's concerns with China's trade practices despite a series of talks.

"We have been very clear about the type of changes that need to be made, and we have given China every opportunity to treat us more fairly," Trump said in the statement.

"But, so far, China has been unwilling to change its practices."

The president has defended his tariff moves, despite mounting criticism from Republican lawmakers and [potential political damage](#). On Monday morning, he tweeted: "Tariffs have put the U.S. in a very strong bargaining position, with Billions of Dollars, and Jobs, flowing into our Country - and yet cost increases have thus far been almost unnoticeable. If countries will not make fair deals with us, they will be 'Tariffed!'"

Industry groups reacted with dismay following the announcement.

In a statement on Monday, National Association of Manufacturers (NAM) President and CEO Jay Timmons said imposing the tariffs risked undoing the results that manufacturers have achieved in the past year because of tax and regulatory reforms.

"With every day that passes without progress on a rules-based, bilateral trade agreement with China, the potential grows for manufacturers and manufacturing workers to get hurt. No one wins in a trade war, and manufacturing workers are hopeful the administration's approach will quickly yield results," Timmons said, in the statement.

The White House has already levied tariffs on \$50 billion worth of Chinese products. Beijing responded with measures targeting \$50 billion on American goods, raising fears about damage to the American farm industry.

Some administration officials have pushed for additional talks with China as they try to ease tensions with the world's second-largest economy. But Trump contended last week that [the U.S. was under "no pressure" to reach an agreement.](#)

Earlier Monday, White House economic advisor [Larry Kudlow](#) said Trump ["has not been satisfied with the talks with China on this."](#)

China's Foreign Ministry has said the government would hit back if the U.S. moved forward with tariffs.

But Trump said he hopes the situation will be "resolved, in the end, by myself and President [Xi](#) [Jinping] of China, for whom I have great respect and affection."

Read Trump's full statement announcing the new tariffs below:

Today, following seven weeks of public notice, hearings, and extensive opportunities for comment, I directed the United States Trade Representative (USTR) to proceed with placing additional tariffs on roughly \$200 billion of imports from China. The tariffs will take effect on September 24, 2018, and be set at a level of 10 percent until the end of the year. On January 1, the tariffs will rise to 25 percent. Further, if China takes retaliatory action against our farmers or other industries, we will immediately pursue phase three, which is tariffs on approximately \$267 billion of additional imports.

We are taking this action today as a result of the Section 301 process that the USTR has been leading for more than 12 months. After a thorough study, the USTR concluded that China is engaged in numerous unfair policies and practices relating to United States technology and intellectual property – such as forcing United States companies to transfer technology to Chinese counterparts. These practices plainly constitute a grave threat to the long-term health and prosperity of the United States economy.

For months, we have urged China to change these unfair practices, and give fair and reciprocal treatment to American companies. We have been very clear about the type of changes that need to be made, and we have given China every opportunity to treat us more fairly. But, so far, China has been unwilling to change its practices. To counter China's unfair practices, on June 15, I announced that the United States would impose tariffs of 25 percent on \$50 billion worth of Chinese imports. China, however, still refuses to change its practices – and indeed recently imposed new tariffs in an effort to hurt the United States economy.

As President, it is my duty to protect the interests of working men and women, farmers, ranchers, businesses, and our country itself. My Administration will not remain idle when those interests are under attack.

China has had many opportunities to fully address our concerns. Once again, I urge China's leaders to take swift action to end their country's unfair trade practices. Hopefully, this trade situation will be resolved, in the end, by myself and President Xi of China, for whom I have great respect and affection.