

# Knight Bridge Investment Consultants Limited – US Applies New Tariffs on China Next Week

*The Trump administration will impose tariffs on \$200 billion more in Chinese goods starting next week,*

HONG KONG, HONG KONG, HONG KONG, September 18, 2018 /EINPresswire.com/ -- The Trump administration will impose tariffs on \$200 billion more in Chinese goods starting next week, escalating a trade war between the world's two biggest economies and potentially raising prices on goods ranging from handbags to bicycle tires.

The tariffs will start at 10 percent, beginning Monday of next week, and then rise to 25 percent on Jan. 1.

President Donald Trump made the announcement Monday in a move that is sure to ratchet up hostilities between Washington and Beijing. Trump has already imposed 25 percent tariffs on \$50 billion in Chinese goods. And China has retaliated in kind, hitting American soybeans, among other goods, in a shot at the president's supporters in the U.S. farm belt.

Beijing has warned that it would hit an additional \$60 billion in American goods if Trump ordered more tariffs. If China does retaliate, Trump threatened Monday to add a further \$267 billion in Chinese imports to the target list. That would raise the total to \$517 billion — covering nearly everything China sells the United States.

After a public comment period, the administration said Monday that it had withdrawn some items from its preliminary list of \$200 billion in Chinese imports to be taxed, including child-safety products like bicycle helmets. And in a victory for Apple Inc. and its American customers, the administration removed smart watches and some other consumer electronics products from the list of goods to be targeted by the new tariffs.

At the same time, the administration said it remains open to negotiations with China.

"China has had many opportunities to fully address our concerns," Trump said in a statement. "I urge China's leaders to take swift action to end their country's unfair trade practices."

The two countries are fighting over Beijing's ambitions to supplant American technological supremacy. The Office of the U.S. Trade Representative has charged that China is using predatory tactics to obtain foreign technology. These tactics include hacking U.S. companies to steal their trade secrets and forcing them to turn over their know-how in exchange for access to the Chinese market.

Trump has also complained about America's gaping trade deficit — \$336 billion last year — with



Trump Goes Ahead with New Tariffs Next Week

China, its biggest trading partner.

In May, in fact, it looked briefly as if Treasury Secretary Steven Mnuchin and Chinese Vice Premier Liu He had brokered a truce built around a Chinese offer to buy enough American farm products and liquefied natural gas to put a dent in the trade deficit. But Trump quickly backed away from the truce.

In the first two rounds of tariffs, the Trump administration took care to try to spare American consumers from the direct impact of the import taxes. The tariffs focused on industrial products, not on things Americans buy at the mall or via Amazon.

By expanding the list to \$200 billion of Chinese imports, Trump risks spreading the pain to ordinary households. The administration is targeting a bewildering variety of products — from sockeye salmon to baseball gloves to bamboo mats — forcing U.S. companies to scramble for suppliers outside China, absorb the import taxes or pass along the cost to their customers.

In a filing with the government, for instance, Giant Bicycles Inc. of Newbury Park, California, noting that 94 percent of imported bicycles came from China last year, complained that "there is no way our business can shift its supply chain to a new market" to avoid the tariffs and warned "a tariff increase of this magnitude will inevitably be paid for by the American consumer."

Trump campaigned for the presidency on a pledge to tax imports and rewrite or tear up trade agreements that he said put U.S. companies and workers at a disadvantage. But many analysts say his combative actions seem unlikely to succeed.

On the contrary, Trump has picked fights with each of those trading partners — from imposing tariffs on imported steel and aluminum to demanding that Mexico and China transform the North American Free Trade Agreement into a deal more [favorable to the United States](#).

Trump's tariffs on China raise costs and create uncertainty for companies that have built supply chains that span the Pacific Ocean. Some companies are looking to move out of China to dodge the tariffs, said Andrew Huang, a senior research advisor at the [Knight Bridge](#). Some will likely move to other low-cost countries that aren't in the line of fire. Some will bring operations to the United States — one of Trump's goals.

For years, multinational businesses "went where the labor was cheapest," Huang said. "Now the calculus is more complicated."

To find out more information on the opportunities Knight Bridge Investment Consultants see's with Chinese companies listed in the US markets, visit [www.knightbridgeinvestment.com](http://www.knightbridgeinvestment.com) or contact us at [info@knightbridgeinvestment.com](mailto:info@knightbridgeinvestment.com) for further information.

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