



China retaliates against US tariffs - but it also wants to talk



China will fight to the bitter end of any trade war," the foreign ministry spokesperson in Beijing declared, after China announced tit-for-tat tariffs on agricultural imports from the US

This came within minutes of a new 10% US levy on Chinese imports that came into effect on Tuesday - which adds to existing tariffs both from Trump's first term and those announced last month. But China's latest retaliatory measures are an opening swing, not a direct punch. It shows some strength, and it has the potential to sting parts of the United States, but also leaves room to negotiate or escalate if necessary.

"We advise the US to put away its bullying face and return to the right track of dialogue and co-operation before it is too late," foreign ministry spokesperson Lin Jian added. This is the second round of tariffs the two countries have imposed on each other since February. But this time China is hitting Donald Trump where it has the potential to hurt - by targeting farmers, who are some of his core supporters.

Almost 78% of farming-dependent counties in the US endorsed Mr Trump in 2024. China is one of their biggest customers for produce such as chicken, beef, pork and soybeans and now all those products will face a 10-15% tax which will come into effect on 10 March. The tariffs are broadly negative for US agricultural markets. It is going to have a bearish influence on prices. There are enough corn and soybean supplies in the world for China to make a switch, it is more of an issue for the US, because 30% of US soybeans still go to China," Ole Houe, of Ikon commodities, told Reuters news agency.

Beijing may hope that this will apply some pressure on the Trump administration ahead of any potential negotiations. The latest announcements raise the prospect of an all-out trade war between the world's top two economies and in various ministry statements, China is making two things very clear. And in contrast to Canada and Mexico, Beijing has not announced new measures to target the flow of fentanyl. It simply repeated past statements that fentanyl is a "US problem" and that China has the strictest drug policies in the world.

On Tuesday, the State Council released a White Paper entitled "Controlling Fentanyl-related substances - China's contribution." It outlines the measures Beijing says it has already made to crack down on Fentanyl-related crimes and the precursor chemicals used to make the drug. It adds that it is "diligently fulfilling international drug control obligations".