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Donal Trump file pic

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US President Donald Trump has said he will follow through with his threat to hit imports from Canada and Mexico with 25% border taxes, known as tariffs, on 1 February.

But he added that a decision about whether this would include oil from those countries has not yet been made.

Speaking to reporters in the Oval Office, Trump said the move was aimed to address the large amounts of undocumented migrants and the fentanyl that come across US borders as well as trade deficits with its neighbours.

The president also suggested that he was still planning to impose new Earlier this month, a top Chinese official warned against protectionism as Trump's return to the presidency renews the threat of a trade war between the world's two biggest economies - but did not mention the US by name.

Addressing the World Economic Forum in Davos, Switzerland, Ding Xuexiang, Vice Premier of China, said his country was looking for a "win-win" solution to trade tensions and wanted to expand its import

Canada and Mexico have said that they would respond to US tariffs with measures of their own, while also seeking to assure Washington that they were taking action to address concerns about their US border

If US imports of oil from Canada and Mexico are hit with levies it risks undermining Trump's promise to bring down the cost of livin

Tariffs are an import tax on goods that are produced abroa

In theory, taxing items coming into a country means people are less likely to buy them as they become more expensiv

The intention is that they buy cheaper local products instead - boosting a country's econom

But the cost of tariffs on imported energy could be passed on to businesses and consumers, which may increase the prices of everything from petrol to grocerie

Around 40% of the crude that runs through US oil refineries is imported, and the vast majority of it comes from Canada.