
"China Has Agreed To Reduce, Remove Tariffs On US Cars": Donald Trump

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Washington: China has agreed to scale back tariffs on imported US cars, President Donald Trump said Sunday, one day after agreeing with Xi Jinping to a ceasefire in the trade war between the world's top two economies.

Asia stocks had rallied on the news that Washington and Beijing would not impose any new tariffs during a three-month grace period, during which the two sides are meant to finalize a more detailed agreement.

"China has agreed to reduce and remove tariffs on cars coming into China from the U.S. Currently the tariff is 40 percent," Trump said on Twitter.

On Saturday, Trump and Xi agreed to put a stop to their tit-for-tat tariffs row, which had roiled world markets for months.

The Republican president called their agreement -- which Washington hopes will help close a yawning trade gap with the Asian giant and help protect US intellectual property -- an "incredible" deal.

Trump agreed to hold off on his threat to slap 25 percent tariffs on \$200 billion worth of Chinese goods from January 1, leaving them at the current 10 percent

rate.

In return, China is to purchase "very substantial" amount of agricultural, energy, industrial and other product from the US

The US president did not send any subsequent tweets Sunday explaining which auto tariffs would be removed, and which would be reduced.

In July, China reduced auto import duties from 25 percent to 15 percent, a boon for international carmakers keen to grow sales in the world's largest auto market.

But as trade tensions ratcheted up with the US this summer, Beijing retaliated by slapping vehicles imported from the US with an extra 25 percent tariff, bringing the total tariff rate to 40 percent.

Many US automakers build their cars in China, but for some the tariff hikes have hit sales.

US company Tesla saw its sales drop with the higher prices this fall and recently said it would absorb some of the higher tariff costs and no longer pass them on to consumers.

German carmaker BMW and Ford's Lincoln brand have also been hit hard by the tariffs with some of their cars made in the US for the Chinese market.

The news comes as Trump mulls a tariff hike on vehicles imported from the European Union.

Top executives from German carmakers Volkswagen, Daimler and BMW are to meet Tuesday with senior US officials at the White House to discuss the situation, the German news agency DPA reported, citing unnamed sources.
