

## China accuses US of weaponising trade with new tariffs



**US President Joe Biden has imposed new tariffs on goods including electric vehicles, batteries, and semi-conductors imported from China.**

Katherine Si, Marcus Hand | May 15, 2024

The latest round of tariffs comes amid fears from that fast increasing Chinese imports will overwhelm the US domestic manufacturing market and in place a threat to national security.

The US government announced new tariffs on a variety of [China](#) exported products, including electric vehicles, lithium batteries, critical minerals, semiconductors, steel and aluminum, port cranes and medical supplies.

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Tariffs on electric vehicles import from China could quadruple from the existing 25% to 100%; tariff on solar cell to double to 50%; tariff rates on certain steel and aluminum products will more than triple to 25%, up from 7.5% or less.

Semiconductors tariffs will also be doubled from 25% to 50% and increasing tariffs on Chinese medical supplies, batteries, critical minerals and port cranes. The new tariffs will be staggered coming into force between 2024 and 2026.

Xeneta Chief Analyst Peter Sand believes that the tariffs will increase supply chain costs impacting US consumers.

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“The new tariffs under President Biden may be a case of history repeating. If so, businesses will be braced for increasing supply chain costs and ultimately it will be US consumers who pay for it,” Sand said.

“Back in 2018, we saw the US under President Trump impose a wide raft of tariffs on Chinese imports. China retaliated by imposing increasing tariffs of its own and this constant trading of blows saw ocean freight container shipping rates from China to the US West Coast increase by more than 160%.”

China has urged the US to immediately lift the additional tariffs imposed on Chinese products, warning that it will take resolute actions to protect the country's rights and interests, the Ministry of Commerce said.

“The US has abused the Section 301 tariff review process by further increasing tariffs on some Chinese products, politicising and weaponising trade issues,” Chinese Ministry spokesperson said in a statement.

Sand believes what happens next will depend heavily on China’s response.

“There is no doubt this is an aggressive move by the US against China and, once again, we are seeing geo-politics impact global supply chains.

“The new tariffs will affect around \$18 billion in annual imports, which is not a huge amount in the grand scheme of US trade, but if China responds in the same way as 2018 then we could be at the start of another spiral of escalating tariffs. That will mean yet more pain for shippers and ocean freight service providers to deal with,” he said.

Biden Administration has already signed order earlier this year to prevent the China-made port crane’s import to US and support domestic industry players to bring port equipment production back to the US.

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