

# China Raises Tariffs on U.S. Imports to 125%, Calling Trump's Policies a 'Joke'

*Beijing's retaliation came after the White House ratcheted up its tariff on Chinese goods to 125 percent, on top of an existing 20 percent tax.*

**By Alexandra Stevenson**  
**New York Times**

China on Friday said it was raising its tariffs on American goods to 125 percent, retaliating for the third time in the escalating trade war between the two superpowers.

The brinkmanship between President Trump and Xi Jinping, China's top leader, threatens to rip apart trade ties between the world's two largest economies after years of simmering tensions.

China accompanied its announcement of the higher levies, which take effect on Saturday, with a mocking statement calling Mr. Trump's tariff policies "a joke."

The announcement by the State Council, China's cabinet, followed a clarification on Thursday by the Trump administration that Chinese goods imported to the United States now face a minimum tariff rate of 145 percent.

Over the past two weeks, China and the United States have been engaged in a fast-moving tit-for-tat that has resulted in ever-higher barriers to trade, churning markets and threatening economies around the world.

This week, Mr. Trump reversed course on the so-called reciprocal tariffs he had placed on dozens of countries. But instead of pausing the levies on China, he chose to raise the tariffs to 125 percent as a penalty for what he called China's "lack of respect." The move followed Beijing's decision to tax American goods at 84 percent.

Over years of mutual commerce, American and Chinese companies have grown dependent on each other — for supply chains and factories on one side, and for access to markets on the other. But now the dizzying displays of retaliation have forced business partners to abruptly slash orders and hope for some kind of détente.

Adding to the confusion, the White House on Thursday, a day after saying tariffs on Chinese imports were 125 percent, clarified that the taxes had actually been set at a minimum of 145 percent. Additional sector-specific tariffs have been imposed on

imports of cars, steel and aluminum, as well as other goods that have been subjected to levies since Mr. Trump's first presidency.

On Friday, Mr. Xi spoke publicly about tariffs for the first time since Washington and Beijing started hitting each other with progressively higher levies.

"There are no winners in a tariff war and going against the world will only result in self-isolation," said Mr. Xi, who was meeting with the prime minister of Spain, Pedro Sánchez. The European Union, of which Spain is a member, has taken China to task over its overproduction of products like electrical vehicles and its dumping of cheap goods in other countries.

The Trump administration's approach to China was a "numbers game which has no practical significance on economics," a spokesperson for China's Ministry of Commerce said at news conference on Friday. "It's become a joke," said the spokesperson

For years, the two countries prospered together, based on a recognition they both benefited from China joining the global trading system through institutions like the World Trade Organization. American companies, in return, were given access to China's huge base of consumers while American shoppers could buy everything — from socks to computers — at much cheaper prices.

More recently, though, the United States and China had engaged in low level combat. As Beijing ramped up state subsidies of key industries and Mr. Xi pushed China to become less reliant on American technology, the U.S.-China economic relationship began to fray. Then in Mr. Trump's first presidency he waged a trade war that ultimately resulted in an armistice in 2020.

This time around, in Mr. Trump's second term, the gloves are off. Even before he entered the White House, Mr. Trump foreshadowed a determination to "make China pay." Mr. Trump has focused his anger on the massive trade imbalance with China, which sells significantly more to America than it buys.

China, for its part, vowed this week to "fight to the end."

For bewildered onlookers around the world, the question is: Where do the two countries go from here? Trade between the United States and China has defined the global economic order for decades and has benefited not just American and Chinese companies but other countries and entire regions.

Some experts warned that the escalations can only lead to more hostility, turning trade, once a foundation of stability, into another flashpoint.

Others, like Wang Xiangwei, a former editor in chief of The South China Morning Post and an expert on Chinese affairs, argued that the only thing left for both countries to do was to come to the table.

“I believe serious talks are most likely to start only after tariffs are raised to preposterous levels as they are now,” Mr. Wang said.

*Zixu Wang contributed research from Hong Kong.*