

China-US Trade War: Trump Threatens China After Multiple Rounds of Negotiations.

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Major bilateral differences are over structural issues, the US trade deficit with China a minor one by comparison.

*Committee of the Chinese People's Political Consultative Conference vice chairman **Zhang Qingli** said*

"China never wants a trade war with anybody...but we also do not fear such a war," adding:

"The US side has disregarded a consensus with China after multiple rounds of consultations, insisting on waging a trade war against China, (threatening) to escalate it" if its demands aren't met.

Multiple rounds of talks failed to resolve all major issues. According to economists and political analysts, bilateral trade differences are harming investment in both countries.

A Rhodium Group/Mercator Institute for China Studies report said investments by Chinese firms in EU countries declined by 40% last year.

Acquisition of US tech companies by Chinese firms declined by two-thirds in 2018, according to financial data company Refinitiv. US acquisitions of Chinese firms also declined sharply.

For these and overall economic reasons, ruling authorities of both countries want resolution of bilateral differences.

China's **Commerce Minister Zhong Shan** said

"(t)he work team is still continuing to negotiate because we still have a lot to do."

Xi and Trump won't meet in late March or April unless able to formally sign off on a deal. Representatives of both countries may hold further talks in Beijing in the coming days, likely after China's National People's Congress ends on March 15.

A key area of dispute involves enforcement, along with the Trump regime insisting on its right to raise tariffs on Chinese imports if it claims Beijing violated agreed on terms - without retaliation by Xi, what his government considers an infringement of its sovereign rights.

How US tariffs will be rescinded if a deal is reached remains unresolved. China wants no delay in their lifting. The Trump regime wants it done gradually, both sides so far at an impasse over this issue and others - mainly structural ones.

Beijing wants no foreign restraints imposed on its ability and goal to develop economically, industrially and technologically. The Trump regime's aim is polar opposite - the greatest obstacle to bilateral relations whatever may be agreed on ahead.

No meeting between Xi and Trump is scheduled so far. Without one, no deal is likely. China's Commerce Minister Zhong Shan said

"(d)uring the last 90 days, the sides held three rounds of talks at the high level," adding:

"Chinese **Vice Premier Liu He** has recently visited the United States for the talks as the head of a Chinese delegation. The process of consultations was extremely difficult and time-consuming."

"Due to the difference in state systems, culture and the stages of development, the two countries are very different."

Key issues remain unresolved.

On Sunday, China's [Global Times](#) (GT) said bilateral trade talks are "poised on a knife-edge...(Trump) stressed that he wants either a good deal or no deal."

No preparations are underway for a summit between both leaders. A key difference between both sides involves the Trump regime saying it'll "impose punitive tariffs on Chinese products any time it feels that China does not fully implement the agreement while China should not retaliate. China believes this is an intrusion on (its) sovereignty and has rejected the proposition."

Both sides resolved various differences. "But given the different opinions within the US and the capriciousness of US government as a whole, a highly sensitive period is expected before a final agreement is signed."

Both sides know each other's bottom lines, no major changes in their positions likely ahead. If talks fail, "the US will suffer more pain, and at a greater cost, than it is currently already suffering," said GT, adding:

"Particularly when the economic perspective for the US in 2019 is not as optimistic as that for last year and the new election season is drawing near, the US is not any better than China at enduring the political pressure of a continuing trade war."

A final deal must be fair to both sides. Neither country benefits by pushing the other too far. Will things be resolved in the weeks ahead?

It's in the interest of both nations to forge an agreement - compromise and fairness the only way to achieve it.

Given Washington's record of breaching deals agreed on, whatever Sino/US accommodation is reached will be tenuous at best.

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