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Monday 26th August 2019, 2:53 GMT

US-China trade war escalates

China and the US both announced new retaliatory tariffs as the trade war between the two countries continues to escalate



China's decision to place a new round of tariffs on US\$75bn of US goods was met with a swift reaction from the US, which said it will raise existing tariffs set to be implemented on 1 October.

In a statement posted by China's finance ministry on 23 August, China said it will place additional tariffs of 5 per cent or 10 per cent on US\$75bn worth of US imports. This decision comes in addition to [news](#) on 6 August that Chinese businesses have stopped buying US agricultural products.

Both of these developments come in response to the US [decision](#)

to place a 10 per cent tariff on US\$300bn worth of Chinese imports on 2 August.

The US reaction to the US\$75bn of new tariffs was immediate, within 24 hours US President Donald Trump tweeted his intention to retaliate, raising previously announced tariffs.

"Starting on October 1st, the US\$250bn of goods and products from China, currently being [taxed](#) at 25 per cent, will be taxed at 30 per cent," Trump said.

"Additionally, the remaining US\$300bn of goods and products from China, that was being taxed from 1 September at 10 per cent, will now be taxed at 15 per cent," he added.

In an earlier set of tweets Trump also told US companies they should look at alternatives to China.

"Our great American companies are hereby ordered to immediately start looking for an alternative to China, including bringing your companies home and making your products in the US," he tweeted.