

China's finance ministry announced on Monday that it is raising tariffs on a wide range of U.S. goods in retaliation for President Trump's decision on Friday to increase duties on US\$200 billion of Chinese imports to 25%.

The increased tariffs on U.S. imports are set to be implemented on June 1 to allow time for further negotiations.

It appears that China is hiking the tariffs on over 4,000 products, according to the finance ministry's statement. They're part of US\$60 billion worth of US goods that were first targeted last year, when Trump imposed 10% tariffs on US\$200 billion of Chinese imports.

Some products will be hit with a new tariff of 25%, others will rise to 10% or 20%, while several hundred will be spared, and still only face the current 5% tariff.

"On May 9, 2019, the US government announced that since May 10, 2019, the tariff rate imposed on the \$200 billion list of goods imported from China has increased from 10% to 25%," the finance minister said.

"The above measures by the United States have led to an escalation of Sino-US economic and trade frictions, contrary to the consensus between China and the United States on resolving trade differences through consultations, jeopardizing the interests of both sides and not meeting the general expectations of the international community."

Meanwhile, China's Global Times's editor in chief, Hu Xijin, is reporting that Beijing is considering stopping buying U.S. agricultural products as well.

China may stop purchasing US agricultural products and energy, reduce Boeing orders and restrict US service trade with China. Many Chinese scholars are discussing the possibility of dumping US Treasuries and how to do it specifically.

— Hu Xijin 胡鑫 (@HuXijin_GT) [May 13, 2019](#)

China is also considering slashing orders for new Boeing planes, he adds. If so, that would further ratchet up the trade war.

Last year China increased tariffs on a large range of U.S. imports of fresh agricultural products, including cherries, apples, citrus, table grapes and tree nuts.

Due to the drastic tariffs spike, the U.S. stock markets opened sharply in the red today, as a wave of selling sweeps through Wall Street.

The Dow Jones industrial average has plunged by 480 points as the opening bell rings, a slump of 1.85%. The broader S&P 500 index has lost 1.7% while the technology-focused Nasdaq has lost 2.4% in a nery start to trading.