

Trade tariffs on china

[Economics](#), [Trade](#)



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Source of article: The NEWYORK TIMES

Publication date: 11th April 2018

A threat emerged from state house that president Donald trump would impose tariffs on imports from china in the months to come. The threat sparked mixed reactions across the economic circles; one faction saying that the laws would boost the countries negotiation power over the Chinese government as another says that the laws were detrimental to the economy and they were made in a rush for the purpose of threatening the Chinese government.

Drawing conclusions from the effect of tariff imposition on steel and aluminum from china that was passed into law last year; that the economy has come down by 0. 1 percentage points, the economists against the idea think they have a case to prove. Still, the tariff threat has been upheld despite the economic tantrums.

Tariffs are meant to limit imports and create market for locally products but the adverse effect from this will result in prices going a little higher for business men that vend Chinese goods and ultimately the consumer will feel the pinch. If the tariffs are maintained over the years the living standards among the American people will go down.

Skeptics have said that the tariffs have been designed to scare china but not raise the economic standards of American or the nation. Arrays of economists suggest that free trade be enacted for realization of economic

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growth. I agree with the faction that is against the increase of tariffs on Chinese imports as the results over time would be devastating.

What is the need of imposing tariffs if they neither boost nor increase economic efficiency? Instead of pulling out of the Trans pacific partnership then using the tariff threat; the government would have considered rallying other countries behind it against china. A pact with other countries would have cowed the Chinese authorities.

Reason behind this threat is that the Americas deficit in goods to china is worth \$370 billion. I suggest the threat be dropped. Protectionism is the economic policy that revolves around tariffs. This policy suggests that countries should impose high tax on import if they want their local companies to thrive. In its dynamics, proponents suggested that the laws, taxes and quotas be formulated but they also stated that this will be killing competition and the end consumer will feel the pinch as the prices of the basic commodities will go up significantly over the years.

Reference

New york times website <https://mobile.nytimes.com/2018/04/11/business>