

China vows to take 'all necessary measures' to defend its interests against US trade actions

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Picture for representational purpose.

Beijing: The Chinese government vowed on Thursday to take "all necessary measures" to defend the country's interests if President Donald Trump targets it for allegedly stealing American technology or pressuring US companies to hand it over.

"China will not sit idly to see its legitimate rights damaged and must take all necessary measures to resolutely defend its legitimate rights," the Commerce Ministry in Beijing said in a statement on its website.

The Trump administration is expected later on Thursday to impose trade sanctions on China, perhaps including restrictions on Chinese investment and tariffs on as much as \$60 billion worth of Chinese products.

Foreign Ministry spokeswoman Hua Chunying told reporters that Beijing hoped the US would "refrain from taking actions that are detrimental to both sides."

Dozens of industry groups sent a letter last weekend to Trump warning that "the imposition of sweeping tariffs would trigger a chain reaction of negative consequences for the U.S. economy, provoking retaliation; stifling US agriculture, goods, and services exports; and raising costs for businesses and consumers."

US business groups mostly agree that something needs to be done about China's aggressive push in technology but they worry that China will retaliate by targeting US exports of aircraft, soybeans and other products and start a tit-for-tat trade war of escalating sanctions between the world's two biggest economies.

The announcement will mark the end of a seven-month U.S. investigation into the hardball tactics China has used to challenge US supremacy in technology, including dispatching hackers to steal commercial secrets and demanding that US companies hand over trade secrets in exchange for access to the Chinese market. The administration argues that years of negotiations with China have failed to produce results.

On Tuesday, Chinese Premier Li Keqiang appealed to Washington to "act rationally" and avoid disrupting trade over steel, technology and other disputes. He promised Beijing will "open even wider" to imports and investment.

"No one will emerge a winner from a trade war," said Li, the No. 2 Chinese leader, at an annual news conference held during the meeting of China's ceremonial legislature.

The move against China comes just as the United States prepares to impose tariffs of 25 percent on imported steel and 10 percent on aluminum — sanctions that are meant to hit China for flooding the world with cheap steel and aluminum but will likely fall hardest on US allies like South Korea and Brazil because they ship more of the metals to the United States.

Trump campaigned on promises to bring down America's massive trade deficit — \$566 billion last year — by rewriting trade agreements and cracking down on what he called abusive commercial practices by US trading partners.

- AP