

# China says has begun purchase of more US farm goods

BEIJING: China said on Thursday (Aug 1) that it had begun purchasing more US farm goods, addressing a key sticking point in efforts to resolve a drawn-out trade war between the two economic giants.

US farm exports to China are estimated to be the lowest in years as a result of Beijing's retaliation against President Donald Trump's tariffs on US\$250 billion of Chinese goods.

Trump said this week that China was supposed to start buying more American agricultural goods but had shown "no signs that they are doing so".

Chinese enterprises started approaching US suppliers in mid-July to discuss buying new agricultural goods including soybeans, cotton, pork, and sorghum, commerce ministry spokesman Gao Feng told reporters on Thursday.

His comments came a day after Chinese and US trade negotiators in Shanghai wrapped up their first face-to-face talks since Trump and Chinese President Xi Jinping agreed to a truce in June.

Companies "have already purchased some agricultural products", Gao added, noting the companies had applied for exemptions to punitive tariffs China has slapped on US farm goods.

Officials at the Shanghai meeting focused on why the earlier negotiations had broken down and principles and plans for future talks, Gao told reporters.

"This round of consultations was frank, efficient and constructive," he said.

Both sides "will hold intensive consultations in August to properly prepare for the face-to-face meetings of the leaders of the consultations in September", Gao added.

## **'MUCH TOUGHER'**

If the US and China approach the talks as equals and properly handle each

other's concerns, the two sides can find a resolution to the trade frictions, Gao said.

The trade war between the two economies has seen both sides hit each other with punitive tariffs covering more than US\$360 billion in two-way trade.

Trump suggested Tuesday that Beijing was hoping to delay a deal until after the US presidential elections in November 2020, saying China wanted to see if a Democratic opponent wins the vote so it could "continue to rip off the USA".

But Trump also warned that "if & when I win, the deal that they get will be much tougher than what we are negotiating now ... or no deal at all".

Trade experts also view a deal as unlikely before the 2020 elections.

The months-long trade war has compounded slowing global demand for Chinese goods and led some US firms to begin moving supply chains out of China.

Data this week showed activity in China's manufacturing sector continued to contract for the third straight month.

China's total exports during the first half of the year barely rose from last year, while its exports to the US shrank.

A meeting of the Politburo, China's top decision-making body, this week emphasized the economy faces downward pressure and "new risks", according to the official Xinhua news agency.

Economic growth in the second quarter slowed to 6.2 percent - China's slowest in nearly 30 years.

Source: AFP/ec

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