

## Your guide to a disrupted world

*Offer not available to existing subscribers*

**Save 33%**

### **US Inflation**

## Commerce secretary warns cutting China tariffs will not significantly ease inflation

Gina Raimondo backs Joe Biden but admits move will have minimal effect on price rises



Commerce secretary Gina Raimondo says removing tariffs on certain Chinese goods will give some measure of relief to US consumers © Ting Shen/Bloomberg

**Colby Smith** in Washington YESTERDAY

---

US commerce secretary Gina Raimondo conceded that removing US tariffs on Chinese goods would not ease inflation in a “very significant way”, underscoring the White House’s struggle to devise an effective plan to fight price rises.

The senior administration official on Sunday still lent her support for the move, on which President Joe Biden [is due to decide soon](#). But she emphasised that its impact would probably be limited given the multitude of factors pushing up prices.

“Lifting tariffs isn’t going to bring down top-line inflation in a very significant way,” she said in an interview with NBC. “What it will do potentially is help consumers on certain . . . household goods. And so for that reason, given where inflation is, I think it could make sense to do it.”

Biden has repeatedly stressed that counteracting inflation, which is running at the fastest pace in four decades, is his administration’s number-one priority, a message Raimondo reiterated. Beyond removing Chinese tariffs, the president has also discussed cancelling some student loans and last month proposed a [petrol tax holiday](#).

Economists have warned that many of these efforts to provide relief to households and businesses suffering from higher costs either will have a minimal effect or could

in some cases make the problem worse.

The White House is seeking to ease supply-related constraints as well, which have contributed in large part to the [inflation](#) surge since the onset of the coronavirus pandemic. Prolonged Covid-19 lockdowns in China have snarled one of the world's largest manufacturing hubs, while Russia's invasion of Ukraine has driven jumps in the costs of energy, food and other essential commodities.

In an interview with ABC on Sunday, Raimondo said it was essential for Congress to pass a bipartisan bill designed to increase the domestic supply of semiconductors, an industry that has suffered globally from severe shortages that have pushed up the price of vehicles and other industrial electronics.

"We have inflation now because of lack of supply," said Raimondo, calling the bill a "perfect example" of how to bolster capacity.

The president is [heading to Saudi Arabia](#) this week with an aim of resetting relations with a country he once called a pariah state. In an article published on Saturday, Biden lauded the kingdom for helping "stabilise oil markets with other Opec producers".

Energy prices have plummeted in recent weeks over mounting fears of a recession. The Federal Reserve has given increasingly clear signals that it will aggressively raise interest rates to a level that begins to constrain economic activity in order to restore price stability.

Raimondo characterised the Fed's actions as "strong", adding that the administration was "doing everything we know how to do" to root out inflation.