

Trump tariffs

China vows 'fight to the end' after Trump threatens extra 50% tariff

Beijing and Washington exchange warnings of retaliation as markets stabilise



Donald Trump on Monday threatened to introduce an additional 50% tariff on Chinese goods, a move that would bring its total duties to more than 120% by some estimates © Qilai Shen/Bloomberg

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Published YESTERDAY

Updated 03:29

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China has vowed to “fight to the end” if the US presses ahead with tariff increases, pushing the world’s two largest economies to the brink of a full-blown trade war.

In a ratcheting up of tensions, the commerce ministry on Tuesday said it would retaliate further if US President Donald Trump followed through on his threat to levy an [additional 50 per cent tariff](#) on Chinese goods.

“If the US proceeds with implementing these escalated tariff measures, China will resolutely take countermeasures to safeguard its own rights and interests,” a commerce ministry spokesperson said. “If the US insists on going its own way, China will fight to the end.”

The stand-off between Beijing and Washington comes as a wave of so-called ‘reciprocal tariffs’ against dozens of the US’s trading partners are set to take effect on April 9.

The measures, along with a universal tariff of 10 per cent announced at Trump's 'liberation day' event last week, have unleashed turmoil across global stock markets and raised the spectre of a global recession.

As investors braced themselves for another day of volatile trading, stock markets regained some ground. The Stoxx Europe 600 was up 1.4 per cent, the FTSE 100 rose 1.3 per cent and China's CSI 300 closed 1.7 per cent higher. Futures tracking the blue-chip S&P 500 climbed 1.3 per cent.

As China and the US exchanged threats, Japanese stocks closed up 6 per cent after Washington agreed to open negotiations over tariffs, with Treasury secretary Scott Bessent saying Tokyo "would get priority as they came forward very quickly".

The US president has signalled willingness to negotiate with other countries over their tariff rates.

"There can be permanent tariffs and there can also be negotiations, because there are things that we need beyond tariffs," Trump said on Monday at a press conference in Washington with Israeli Prime Minister Benjamin Netanyahu.

Tuesday's warning from Beijing came after Trump said on Monday that he would introduce an additional 50 per cent levy unless China scrapped a retaliatory 34 per cent tariff it announced last week.

The proposed tariffs from Washington would take US duties on Chinese imports to more than 120 per cent, according to some estimates.

"The US threat to further escalate tariffs is a mistake compounded by another mistake and once again exposes the coercive nature of the US side," said the ministry spokesperson. "China will never accept this."



Beijing backed up the threat of retaliation by fixing the exchange rate of its currency, the renminbi, at Rmb7.20 per dollar — the lowest since September 2023 — in a sign it could use depreciation to offset [Trump's tariffs](#)

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During the first Trump administration, Beijing allowed its currency decline to offset the impact of tariffs. On Tuesday morning the offshore renminbi, which trades freely, weakened past the threshold of Rmb7.35 per dollar for the first time since February.

“I don’t think Beijing’s going to back down,” said Lynn Song, ING chief economist for greater China. “It might be [a case of] who blinks first.”

Song added: “It feels more like a test of endurance at this point — basically who feels the pain first and who has to come to the table with a slightly weaker bargaining position.”

In China, financial regulators and state fund managers weighed in on Tuesday with vows to support the country’s stock market. Several Chinese companies also announced share buybacks.

Chinese experts said that while the world’s second-largest economy stood to suffer from Trump’s trade turmoil, Beijing would hold fast to its stance rather than concede to Washington.

“There is no possibility that Beijing would submit to Trump’s intimidation,” said Gao Jian, a Shanghai-based foreign policy expert with the Center for International Security and Strategy at Tsinghua University.

Shi Yinhong, a government adviser and professor at Renmin University, said that while US-China trade stood to be “mostly destroyed”, Beijing’s hardline approach was unlikely to change.

“China stands out as the only country in the world that has taken a uniquely tough and uncompromising position in response to Trump’s tariff war,” Shi added, predicting that a new global trade paradigm would be “extremely disadvantageous for China”.

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