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# Biden Levies Sweeping Tariffs on China, Intensifying Trade Fight With Trump

Presumed 2024 election foes are taking competing protectionist approaches against Beijing

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WASHINGTON—One day after news broke that President Biden was planning to raise tariffs on Chinese electric vehicles to roughly 100%, Donald Trump moved to one-up his rival for the White House.

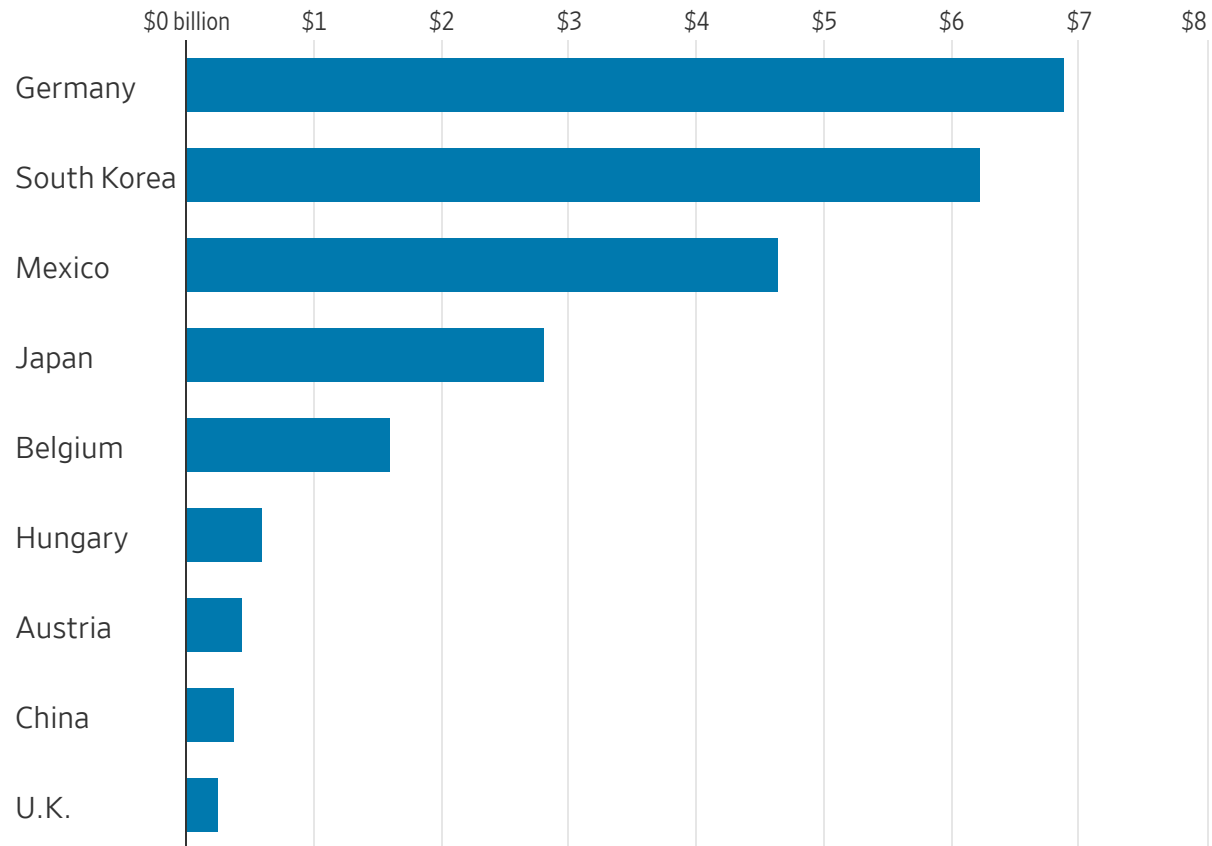
“I will put a 200% tax on every car that comes in from those plants,” the former president said at a rally in New Jersey on Saturday, referring to Chinese vehicles manufactured in Mexico. Biden, he suggested, was ripping off his tariff-focused trade agenda. “Biden finally listened to me,” Trump said. “He’s about four years late.”

The retort put on display a dynamic now at the heart of U.S. trade policy: The leaders of both political parties are racing each other to impose tough barriers on trade with China. What was once a lone effort by Trump to disrupt the bipartisan faith in free trade has become an establishment consensus of its own.

Beyond raising tariffs on electric vehicles, the White House said Tuesday that Biden was increasing a key tariff rate on steel and aluminum products to 25% from 7.5%, while the tariff on solar cells would rise to 50% from 25%, and a new duty on shipping cranes would be 25%. Those tariff increases, among others, will kick in this year, while others, including a tariff increase to 25% from 7.5% for

larger storage batteries and a new tariff on natural graphite set at 25%, will take effect in 2026.

#### U.S. electric vehicle imports, 2023-24



Note: Through March 2024; excludes hybrid vehicles.

Source: Census Bureau

Senior Biden administration officials said they delayed the start of some of the tariff increases to give U.S. industries time to rejigger their supply chains. The White House said the new tariffs would apply to \$18 billion in products from China, with EV batteries, critical minerals and medical products among the other goods targeted. The tariff rate for Chinese semiconductors would double by 2025—to 50% from 25%.

“It’s a smart approach,” Biden said at a White House event announcing the tariffs on Tuesday. “Compare that to what the prior administration did. My predecessor promised to increase American exports and boost manufacturing. But he did neither, he failed.” Biden said Trump’s proposed 10% levy on all imports would be inflationary, though Biden aides argued their new actions won’t push up prices.

Biden's decision caps years of tortured debate within the administration over the tariffs Trump originally put in place on more than \$300 billion in imports from China. Those duties, implemented in 2018 and 2019 and augmented by Biden's new steps, are now a seemingly permanent feature of U.S. policy toward China.

China's Commerce Ministry said Tuesday that Beijing firmly opposes Washington's tariff move and said it would "take resolute measures to defend its own interests." The ministry said the tariff increase is being driven by U.S. political considerations.

To be sure, Biden and his staff have still sought to draw a contrast with Trump on trade. They argue that the president's measures are targeted at specific industries that the U.S. is subsidizing to build up domestic capacity. Biden's approach is still narrower than Trump's plans for a potential second term, which include imposing at least a 60% tariff on all goods from China and charging a 10% levy on every import.



At the White House, President Biden signs a document ordering tariff increases on some imports from China. PHOTO: MICHAEL REYNOLDS/SHUTTERSTOCK

As he weighed what to do about Trump's tariffs, Biden faced political pressure from within his own party to act, and divides among his top advisers about the fallout of doing so.

A group of Senate Democrats from competitive swing states, along with Senate Majority Leader Chuck Schumer (D., N.Y.), had been pushing Biden to maintain

or raise tariffs on China. Labor unions also pressured the president to protect domestic industries from cheap Chinese products. A clear sign that Biden was paying close attention to the political stakes came during a campaign stop with steelworkers in Pittsburgh last month, when the president jumped ahead of the interagency process to preview the new tariffs on steel and aluminum from China.

Biden also weighed concerns from economic advisers who viewed some of the Trump-era tariffs as unstrategic and potentially inflationary. While some senior Biden administration officials continue to see those tariffs as bad policy, they are keeping them in place because they want to keep the pressure up on Beijing, the officials said.

“The fact is that no one wants to look weak on China,” said Myron Brilliant, a former executive vice president at the U.S. Chamber of Commerce. Brilliant is among those in Washington who have reservations about the extensive use of tariffs, warning of costs to U.S. consumers. “I don’t think President Biden should try to out-Trump Trump when it comes to trade and tariffs,” he said.



Former President Donald Trump speaking in New Jersey on Saturday. PHOTO: HANNAH BEIER/BLOOMBERG NEWS

Alarm about Chinese economic practices has been building within the Biden administration for months. Under Biden, the U.S. has been spending billions to build up domestic manufacturing capacity for electric vehicles, semiconductors, solar panels and other industries where China is dominant.

But as the Chinese macroeconomy started to slump, officials there doubled down on production in the same industries the U.S. was targeting. The fear among Biden administration officials is that Chinese manufacturing is powerful enough to push down prices globally, undercutting nascent U.S. companies and putting the Biden administration's subsidies to waste.

“These tariffs are the culmination of clashing industrial policies between the two countries and also the looming election season in the U.S.,” said Eswar Prasad, a senior fellow at the Brookings Institution.

Prasad said the new Biden tariffs raise the risk of Chinese retaliation, which could ultimately weigh on U.S. economic growth. Relations between the two countries could suffer if both Republicans and Democrats continue to embrace a confrontational stance against China to win elected office, he said.

In a second term, Trump has promised to again wield tariffs as a cudgel, laying out plans to impose levies on allies and adversaries alike. During campaign speeches and other events, the former president has made varying statements about his plans to target China's economy with a series of new tariffs.

In March, Trump said he would impose a 100% tariff on imports of Chinese vehicles made in Mexico. On Saturday, he doubled that proposed tariff rate in his New Jersey speech, making clear that it would apply to both gasoline-powered and electric vehicles.

“It's only a ploy to get beyond the election,” Trump warned of Biden's plan to hike tariffs on China, “and then everything will come crashing down.”

—Grace Zhu contributed to this article

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