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Fears over USA - China trade war - 25th March, 2018

## Level 0

A USA-China trade war may start. Stock markets in Asia fell because people are worried. President Donald Trump wants to put tariffs on Chinese goods. A tariff is a tax on imports (things bought from other countries). Mr Trump wants to put tariffs on \$60 billion of Chinese imports. China said it would do the same.

If the USA uses tariffs, China will hit back. Then the U.S. will hit back further. A researcher said: "This can turn ugly...very quickly." Trump wants to protect U.S. workers. He is not happy because the USA buys \$385 billion more goods from China than China buys from the USA. Mr Trump wants to cut this imbalance.

## Level 1

A trade war may start between the USA and China. Stock markets in Asia fell on Friday because people are worried. U.S. President Donald Trump plans to put trade tariffs on Chinese goods. A tariff is a tax on imports - goods and services from other countries. President Trump wants to put tariffs on \$60 billion of Chinese imports. China said it would use tariffs in reply. Tokyo's Nikkei share index fell by more than 4 per cent on Friday.

The tariffs could start a global trade war. A researcher said: "If the tariffs go ahead...China will retaliate....And then we expect the U.S. to retaliate further. This can turn ugly on a global scale very quickly." Mr Trump wants to protect U.S. workers. He is not happy with the trade imbalance with China. The USA buys \$385 billion more goods from China than China buys from the USA. Trump wants to cut this imbalance by \$100 billion.

## Level 2

A trade war may break out between the USA and China. Stock markets in Asia fell on Friday because investors are worried. U.S. President Donald Trump plans to hit Chinese companies with trade tariffs. A tariff is a tax on goods and services coming in from other countries. President Trump said he would issue tariffs on up to \$60 billion of Chinese imports. China said it would issue its own tariffs in reply. Tokyo's Nikkei share index fell by more than 4 per cent on Friday. Markets in Shanghai and Seoul fell by 3 per cent. There was also a fall on New York's Wall Street stock exchange.

World trade experts are worried that the tariffs could start a global trade war. A researcher said: "If the tariffs go ahead...China will retaliate. It is impossible to imagine that they cannot. And then we expect the U.S. to retaliate further. This can turn ugly on a global scale very quickly." President Trump wants to protect U.S. workers and companies. He is not happy with the trade imbalance with China. The USA buys \$385 billion more goods from China than China buys from the USA. Trump wants to reduce this imbalance by \$100 billion with his tariffs.

## Level 3

The world is waiting to see if a trade war breaks out between the USA and China. Stock markets in Asia did badly in Friday's trading because investors are worried about U.S. President Donald Trump's plans to hit Chinese companies with trade tariffs. A tariff is a tax a country puts on goods and services coming in from other countries. President Trump has warned China he will issue tariffs on up to \$60 billion of Chinese imports. China said it would issue its own tariffs in reply to Mr Trump. Tokyo's Nikkei share index fell by more than 4 per cent on Friday, Shanghai's market was down more than 3 per cent, and stocks and shares in Seoul fell by 3 per cent. There was also a fall on New York's Wall Street stock exchange.

Experts on world trade are worried that the import tariffs could be the start of a global trade war. Trade researcher Robert Carnell said: "If the tariffs go ahead as planned, then we believe China will retaliate. It is impossible to imagine that they cannot. And then we expect the U.S. to retaliate further. This can turn ugly on a global scale very quickly." President Trump says he wants to protect U.S. workers and companies. Mr Trump is not happy with the trade imbalance between the USA and China. Experts believe that the USA buys \$385 billion more goods from China than China buys from the USA. Trump wants to try and reduce this imbalance by at least \$100 billion with his tariffs.