

CHINA

# Trump Says U.S. Is ‘Very Close to a Big Deal’ With China on Trade

U.S. negotiators offer to slash existing tariffs by as much as half on \$360 billion of Chinese-made goods and cancel a new round of levies to take effect Sunday



President Trump PHOTO: MANUEL BALCE CENETA/ASSOCIATED PRESS

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BEIJING—U.S. negotiators have offered to slash existing tariffs by as much as half on roughly \$360 billion of Chinese-made goods as well as to cancel a new round of levies set to take effect on Sunday, according to people briefed on the matter, as the two sides continue to hammer out a limited trade deal that could help prevent an increasingly shaky bilateral relationship from sinking further.

President Trump wrote in a Tweet on Thursday morning: “Getting VERY close to a BIG DEAL with China. They want it and so do we!”

The tariff-reduction offer was made in the past five days or so, the people said, and in exchange, the U.S. side has demanded that Beijing make firm commitments to purchase large quantities of U.S. agricultural and other products, to better protect U.S. intellectual-property rights and to allow greater access to China’s financial-services sector. Should China not carry out its pledges as part of the potential deal, the tariff rates would return to their original levels, a clause known in trade negotiations as a “snapback” provision.

Negotiations are grinding on. During several rounds of talks since October, Chinese negotiators have balked at Washington's request that Beijing guarantee its pledge to buy more U.S. soybeans, poultry and other products, saying doing so would run counter to the rules of the World Trade Organization.

"Trade teams from both sides are maintaining close communications," Gao Feng, spokesman at China's Commerce Ministry, said at a news briefing Thursday. He didn't provide any additional information.

Details of the new U.S. plan emerged as the clock runs out for the two sides to reach an agreement before 12:01 a.m. on Dec. 15—the date that President Trump has set for tariffs to increase on an additional \$156 billion of Chinese goods. Officials in both Beijing and Washington have indicated that negotiations could be extended beyond that date, as has happened several times when the two sides believed they were close to a deal. None of the trade truces declared in the past two years has stuck, however, and the uncertainty around trade between the world's two largest economies has weighed on global growth.

Mr. Trump hasn't made a decision on whether or not to delay the scheduled new tariffs, or whether to accept a rate cut on existing tariffs. The new tariffs set for Dec. 15 would hit roughly \$156 billion of imports from China of mobile phones, laptops, toys, clothing and other consumer products.

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