
China to lift punitive tariffs on US pork and soybeans

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China will lift punitive tariffs imposed on US soybeans and pork in a trade war with the United States, in a possible goodwill gesture in advance of negotiations next month.

The Xinhua News Agency, citing unidentified sources on Friday, said soybeans, pork and some other farm goods will be exempt from tariff rises.

It gave no indication whether or when purchases might resume. Phone calls to the commerce and finance ministries were not answered on Friday, a national holiday in China.

Beijing imposed tariffs on 25 percent of US farm goods and ordered importers to stop buying soybeans, the biggest US export to China, in response to tariff rises on Chinese goods by President Donald Trump.

A Commerce Ministry spokesman said on Thursday that the importers were asking US suppliers for prices of soybeans and pork. The spokesman did not say if they were planning to place orders.

A day earlier, the US agreed to delay another round of tariffs on Chinese imports by two weeks to October 15.

Cautious optimism

The gestures stoked cautious optimism that the next round of trade talks in October between Washington and Beijing may lead to some progress after a string of failed attempts at resolving

the long-standing dispute.

The US-China talks remain stalled since early May, when the two sides appeared to be close to a deal. Along the way, the countries have slapped import taxes on hundreds of billions of dollars' worth of each other's products.

Financial markets were rattled in August as the trade conflict escalated yet again, heightening worries that more tariffs and a slowing global economy could bump the US into a recession. The economic uncertainty has also become a drag on companies.

The two countries' conciliatory moves on Wednesday and Thursday have raised hopes on Wall Street that the upcoming round of trade negotiations may yield a different outcome than previous attempts, given the toll the friction is having on both economies.

"The goodwill moves also highlight the political pressure that both sides are under in response to the economic damage the trade war is causing," Shane Oliver of AMP Capital said in a commentary.

"President Trump in particular looks to be getting nervous at increasing signs that the trade war is impacting the US growth outlook and the risk this poses to his reelection next year."
