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China had warned; the response did not wait. Echoing the decision of US President Donald Trump to impose a 10% tax on $ 200 billion (171 billion) of Chinese imports, Beijing announced it would tax 60 billion in US products.

These new tariffs from 5% to 10% will be enforced Monday 24 September, at the same time that US taxes, said the Chinese Ministry of Finance, Tuesday, September 18. China also filed a new complaint with the World Trade Organization. These amounts are in addition to 50 billion products taxed at 25% on both sides early July.

This trade war may soon weigh on businesses. Jack Ma, chairman of the Chinese giant of online commerce Alibaba, expressed concern about the trade friction that could, according to him, last another twenty years and seriously complicate the situation of companies.

Three-quarters of US companies (74.3%) feel that they suffer from this second burst taxes, against 60% for the first, according to a study of the American Chamber of Commerce in China (AmCham) published 13th September. Almost half of firms (47.2%) expect a *"Very negative impact"* against 21.5% for the first US taxes.

"Sufficiency of the US government"

Kenneth Jarrett, president of AmCham, warns against the consequences of the conflict. *"The amount involved in the first phase (...) was quite small, especially for large groups with diversified activities. That could lead to a certain complacency on the part of the US government. This is seen in the statements of the administration ensuring that taxes had no effect on consumers and the US economy. "*

While most of the affected firms discrete show on the consequences of this trade battle, they are not so far immune. Mid-July, General Electric has estimated that US taxes its imports from China would increase its costs of 300 to 400 million. Other manufacturers, such as Honeywell, said to have prepared by buying more parts and materials in advance. The company stressed, however, she got down to diversify its supply chain outside China.

In late August, Ford announced the abandonment of plans to sell in the US its new Ford Focus Active, produced in China. The president of the brand in North America, Kumar Galhotra, said that 25% of US taxes had *"A very difficult economic problem for Ford."* *"That's why we choose to deploy these economic resources elsewhere. "*

The announcement has not escaped Donald Trump. *"This car can now be built in the United States and Ford will not pay taxes"* launched the US President on Twitter on 9 September. What encourage Ford to an industrial economy during the tenant of the White House. *"It would not be cost effective to build the Focus Active in the US given the low volumes estimated"* defended a spokesperson for the brand, always on Twitter.

In fact, if one-third of US companies in China rely relocate part of their production or their supply chain in response to tariffs, they are only 6% consider relocating to the United States, according the study of AmCham. Most industry concerned rather thinking of the Southeast Asia for its lower production costs in China.

A method that irritates

Smaller players, meanwhile, have a margin of more limited maneuver. After just two years in China, Matthew McFetridge, a young American wine importer, saw its threat activity. The American wine on the list of products subject to 25% additional customs duties in China. He was able to stock up for the year, just before the application of taxes, but its stocks tend to run out.

"So far, I hoped that the conflict is resolved before having to replenish it, but it did not seem to go by arranging" He sighs. *"American wines are already expensive. I can not raise my prices 25% overnight. I do not know what to say to independent growers to whom I had promised new opportunities. I try to stay optimistic ... "* He continues. Like him, 31.1% of US companies cited by AmCham declare postpone or cancel planned investments in China.

If US companies do not dispute the validity of the claims of the Trump administration is the method adopted irritates. *"The business community wants more opening of the Chinese market"* Kenneth Jarrett points out, citing the protection of intellectual property, the restrictions on certain sectors of the economy or unfair competition from Chinese companies.

"But the question is how you get there. We admit that the first salvo taxes helped to pressure the Chinese government, but we think that the US administration should be more specific in its demands and add new taxes arranges nothing to reach a solution negotiated " he concluded.

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