

TRUMP, XI MAY MEET LATER THIS YEAR

US, China resume talks to ease tariff hostilities

GRETA ROSEN FONDAHN
& MARIA MARTINEZ
Stockholm, July 29

US AND CHINESE officials began a second day of talks in Stockholm on Tuesday to resolve longstanding economic disputes and step back from an escalating trade war between the world's two biggest economies.

The meetings may not yield immediate large breakthroughs but the two sides could agree to another 90-day extension of a tariff truce struck in mid-May. It may also pave the way for a potential meeting between US President Donald Trump and Chinese President Xi Jinping later in the year, though Trump on Tuesday denied going out of his way to seek one.

The delegations met for more than five hours on Monday at Rosenbad, the Swedish prime minister's office in central Stockholm. Neither side made statements after the first day of talks.

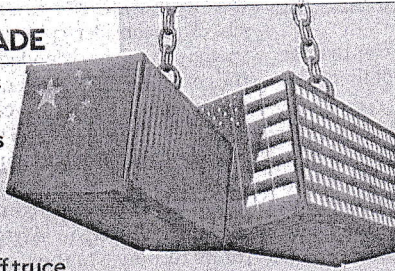
US treasury secretary Scott Bessent was seen arriving at Rosenbad on Tuesday morning after a separate meeting with Swedish Prime Minister Ulf Kristersson. China's vice

FINALISING TRADE

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premier He Lifeng also arrived at the venue.

China is facing an August 12 deadline to reach a durable tariff agreement with Trump's administration, after reaching preliminary deals in May and June to end weeks of escalating tit-for-tat tariffs and a cut-off of rare earth minerals.

Without an agreement, global supply chains could face renewed turmoil from US duties snapping back to triple-digit levels that would amount to a bilateral trade embargo.

The Stockholm talks follow Trump's biggest trade deal yet with the EU on Sunday for a 15% tariff on most EU goods exports to the US, and a deal

with Japan. That agreement has brought a measure of relief to the EU but also frustration and anger, with France denouncing the deal as a "submission" and Germany, Europe's largest economy, also warning of "significant" damage.

China can exercise a degree of leverage with its grip on the global market for rare earths and magnets, used in everything from military hardware to car windshield wiper motors, analysts say. Unlike the EU, it also does not rely on the US for security ties and can let trade talks play out for several more months, said Cyrus de la Rubia, chief economist at Hamburg Commercial Bank. **REUTERS**