

**NEWS**

China Increases Taxes To Slow Fast-Rising Textile Exports

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Textile shop in Beijing

China has announced it will raise tariffs on some textile exports, in a bid to ease tensions with the United States, the European Union and other trading partners, worried by a surge in Chinese exports.

China's Customs Tariff Commission said Friday taxes will rise as much as 400 percent on 74 textile products, including knitted garments.

The move takes effect June 1, and is apparently aimed at deflecting a trade dispute with the European Union and the United States.

Washington this week limited some Chinese textiles to counter the sharp rise in imports that has resulted from the lifting of world textile quotas on January 1.

The European Union is considering similar action.

China says such unilateral action is unfair, and has accused both Washington and Brussels of being protectionist.

Friday's announcement of the tax increases drew praise from members of the U.S. business community in China. American Chamber of Commerce President Charles Martin says Beijing has taken a constructive approach, despite internal pressures to boost exports and protect jobs.

"At the same time, they looked at the trade tensions that were being generated, not only in the United States but also in other developing countries," said Charles Martin. "I think those considerations were all balanced against one another, and at the end of the day, they decided to take this step, which is a very significant one."

U.S. Embassy officials in Beijing did not have any immediate comment on the announcement of the new tariffs.

In response to concerns by the United States and the European Union after the lifting of world textile quotas in January, China announced a modest tax on exports.

However, critics said this was not large enough to stop the influx that some countries complain is devastating their own textile industries.

Chinese officials have not released many details on the latest tariffs, so analysts say it is too early to tell how far the new measures will go to ease tensions.

However, some analysts say Beijing's new strategy is an indication that China might be willing to work with the United States and other trading partners to resolve a range of issues, such as intellectual property rights and a revaluation of China's currency.