



News & Types: Client Advisories

U.S. Imposes List 3 Tariff on Chinese Goods

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This week the U.S. Trade Representative (USTR) released the final version of its third list of Chinese origin goods subject to a 10% import tariff (List 3). The new tariff will go into effect on September 24, 2018, affecting over 6,000 categories of consumer goods. The first two lists of Chinese goods (List 1 and List 2) went into effect earlier this summer, covering approximately \$50 billion worth of imports and imposing a 25% import tariff.

The List 3 tariff will increase to 25% in 2019. The White House also announced that it would impose a tariff against all remaining categories of Chinese imported goods (List 4) if China took any action to retaliate against List 3. China announced retaliatory measures within 24 hours of the USTR's announcement of List 3. Consequently, we expect that a List 4, covering all or nearly all Chinese imports into the U.S. will go into effect before Christmas 2018. So far, neither the White House nor USTR has provided any details for List 4.

Importers have until October 9, 2018 to file requests for exclusion from the List 1 tariff. USTR has said that other tariff lists will have similar exclusion request procedures, however, USTR has not yet provided details on the procedures or deadlines for List 2 and 3 exclusion requests.

We do not expect the U.S. import tariffs against Chinese goods to be withdrawn anytime soon. The tariffs supposedly began as a countermeasure against Chinese practices that were considered discriminatory toward foreign (including, American) firms. Those Chinese practices have not stopped. More importantly, the White House appears to be emboldened, since the tariffs themselves have not generated much of a backlash among the wider American electorate, and world media have reported that the Chinese economy and stock market have suffered more from the trade war than the U.S.