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# It Is Official - U.S. Issues 25% Tariff On Chinese Products

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Making true on his earlier threat, President Trump on June 15, 2018 approved the imposition of a tariff of 25% on approximately \$50 billion worth of Chinese imports. Last April, the Administration issued a proposed list of 1,333 products which could be potentially subject to this tariff pursuant to its Section 301 investigation on unfair trade practices related to China's intellectual property policies.

After reviewing objections and recommendations from interested parties, the Office of the U.S. Trade Representative ("USTR"), removed 515 items from this list, but added 284 new ones.

The final group of products to which the 25% tariff will apply includes 1,102 separate U.S. tariff lines identified by their eight digit subheadings. The USTR has broken down the 1,102 tariff lines into two lists. Both lists include products from industrial sectors such as aerospace, information and communications technology, robotics, industrial machinery, new material and automobiles.

The first list contains 818 tariff lines of the original 1,333 lines from the list issued in April. According to the USTR, these lines cover approximately \$34 billion worth of imports. These 818 products will now be subject to the 25% tariff which U.S. Customs and Border Protection will begin collecting on July 6, 2018.

The second list contains a newly proposed 284 tariff subheadings totaling approximately \$16 billion in imports. These will undergo further review similar to the public notice, comments and hearing which applied to the originally proposed list. Once the review process is complete, the USTR will issue a final determination as to which, if any, of these products will also be subject to the 25% tariff.

The USTR also will provide an opportunity for U.S. companies to request the exclusion of particular products from the additional 25% tariff. A notice detailing this process will be published by the USTR within the next few weeks.

The list of the 818 separate U.S. tariff subheadings subject to the additional 25% duties on July 6, 2018 is available at:

<https://ustr.gov/sites/default/files/enforcement/301Investigations/List%201.pdf>

The list of the newly proposed 283 U.S. tariff subheadings is available at:

<https://ustr.gov/sites/default/files/enforcement/301Investigations/List%202.pdf>

China has announced its own retaliatory action in response to the U.S. tariffs. Beijing indicated on June 15, 2018 that a 25% tariff will be imposed on July 6 on politically sensitive industries, including agriculture products and automobiles. The tariff is expected to cover 659 U.S. goods worth about \$50 billion.

If you have any questions regarding this action and its potential implications, please contact Mark Ludwikowski, Kevin Williams, Tom O'Donnell, Lara Austrins or another member of Clark Hill's International Trade Practice Group.