



China-US Trade Disputes (IX)

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US announces tariffs on US\$200 billion of Chinese imports

On 10 July, the US administration announced a list of 10% tariffs on US\$200 billion of Chinese goods. The new product list follows earlier warnings by US President Donald Trump that he may impose additional tariffs against China if Beijing retaliates against the US tariffs on US\$34 billion of Chinese imports that kicked in on 6 July. We will continue to closely monitor developments in this regard.

US tariffs on US\$200 billion of Chinese imports

In response to China's retaliatory tariffs on US\$34 billion of US imports that kicked in on 6 July, the US Trade Representative (USTR) released on 10 July a product list for 10% additional tariffs on US\$200 billion of Chinese products.

The proposed list of goods covers 6,031 tariff lines, including consumer goods such as apparel and footwear, as well as food products, textiles, chemicals, machinery, metals and technology products.

The tariffs will not go into effect immediately but will undergo a public review process till end-August, after which the USTR will issue a final determination.

Selected tariff lines:

Category	Product	
<i>Apparel</i>	<ul style="list-style-type: none"> • Articles of apparel & clothing accessories, of plastic • Articles of apparel and clothing accessories, excluding gloves, of vulcanized rubber other than hard rubber • Articles of apparel, of reptile leather • Articles of apparel, of leather or of composition leather, nesoi • Clothing accessories nesoi, of reptile leather • Clothing accessories of leather or of composition leather, nesoi • Articles of apparel and clothing accessories, of furskins • Articles of apparel and clothing accessories of paper pulp, paper, cellulose wadding or webs of cellulose fibers 	
<i>Footwear</i>	<ul style="list-style-type: none"> • Footwear of crocidolite • Footwear of asbestos other than crocidolite 	
<i>Other consumer goods</i>	<ul style="list-style-type: none"> • Gloves • Hats and headgear • Carpets • Handbags • Suitcases • Furniture • Wood products 	<ul style="list-style-type: none"> • Beauty products • Toilet paper • Air conditioners • Television components • Refrigerators • Tobacco products • Car tires
<i>Others</i>	<ul style="list-style-type: none"> • Fish and other seafood • Vegetables and fruits • Cotton, silk and wool • Textiles • Machines for textile yarns and fabrics • Sewing machines • Chemicals 	<ul style="list-style-type: none"> • Parts & accessories of motor vehicles • Automatic teller machines • Semiconductor media • Paper and paperboard • Iron and steel products • Copper, nickel, aluminum, lead, zinc and tin

Our take

The direct impact on apparel and footwear sourcing will be small in the very short term, as both apparel and footwear are excluded in the first round of tariffs effective on 6 July, and only a few items of apparel and footwear are included in the new product list for the second round of tariffs.

However, it is highly likely that more (or almost all) apparel and footwear products will be hit with extra tariffs if Trump follows through his threat of tariffs on another US\$300 billion of Chinese goods if China retaliates, given that only US\$255 billion of Chinese imports are not yet affected by the existing and proposed tariffs.

FUNG BUSINESS INTELLIGENCE

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