



ALERTS

U.S. Increases Tariffs On Chinese Imports

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The president announced this week that special Section 301 tariffs on \$200 billion of Chinese imports (List 3) will increase from 10% to 25%. The Office of United States Trade Representative (USTR) issued the [official notice of the tariff increase](#) May 8. The rate increase is effective on May 10, 2019.

List 3 is composed of about 6,000 different Harmonized Tariff Schedule of the United States (HTSUS) codes and \$200 billion worth of imports; comparatively, the previously imposed List 1 and List 2 collectively cover approximately 1,000 HTSUS codes and \$50 billion worth of imports from China.

This rate increase will have a massive effect on almost all industries that rely on imports from China, including agriculture, automotive, electronics, textiles, and energy, just to name a few.

Two other things of particular note from the notice:

(1) increased tariffs will be applied to goods entered for consumption (or withdrawn from warehouse for consumption) on or after 12:01 a.m. Eastern time on May 10, 2019, and exported from China on or after May 10, 2019, so goods that were on the water prior to May 10 will not be affected.

(2) USTR indicates that it will promulgate a product exclusion process in the near future so importers, purchasers, trade associations and other interested parties can request that certain products be excluded from the tariff. Domestic producers will also have the opportunity to object to such exclusion applications.

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