

BGOV OnPoint: Current Tariffs and Retaliation

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About This Presentation

President Donald Trump's administration has pursued a more combative trade policy than its predecessors

It has imposed tariffs on:

- \$50 billion of imports from China, over intellectual property concerns
- Steel and aluminum imports from most countries
- Solar panels and washing machines

Trading partners have retaliated

- China responded in kind to the intellectual property tariffs
- Metal exporters have imposed retaliatory tariffs on a variety of U.S. products

This presentation reviews all major tariffs imposed by the Trump administration and other countries' retaliatory measures

Tariffs on China and Its Retaliation

- Imposed under Section 301 of the Trade Act of 1974 over concerns about China's intellectual property practices
- Related to its Made in China 2025 plan to develop advanced industries

Value of imports subject to tariff	Additional duty	Status	Number of products	China's retaliation
\$34 billion	25%	Imposed July 6	818	Reciprocal tariffs on 545 products
\$16 billion	25%	Imposed Aug. 23	279	Reciprocal tariffs on 333 products
\$200 billion (could potentially double)	25%	Accepting comments through Sept. 6	6,031	Tariffs on 5,207 products worth \$60 billion, and nontariff actions

Metal Tariffs Apply to Most Countries

Trump administration imposed a 25 percent tariff on steel and 10 percent on aluminum (double for Turkey)

Steel and aluminum tariffs intended to counter national security threat

- Imposed under Section 232 of the Trade Expansion Act of 1962, over concerns that steel and aluminum imports are eroding domestic industry, which is important for national security
- Administration reviewing whether tariffs should be applied to cars and uranium as well

Some allies were initially excluded (including Canada, the European Union, and Mexico)

- Tariffs now apply to all countries except Australia and those that agree to a quota

Excluded Countries

Product	Agreed to quota	Exempt
Steel	Argentina Brazil South Korea	Australia
Aluminum	Argentina	Australia

Metal Tariffs Sparked Broad Retaliation

- Trading partners also brought disputes to the World Trade Organization

Country	Value of imports subject to tariff (in millions)	Additional duty	Effective date
Canada	\$12,620	10-25%	July 1
China	\$2,843	15-25%	April 2
European Union	\$3,200	10-25%	June 22
India	\$1,395	10-50%	June 21
Japan	May charge extra duties amounting to \$264 million		N/A
Mexico	About \$3 billion	5-25%	June 5 and July 5
Russia	Sufficient to generate \$88 million in duties	25-40%	July 6
Turkey	\$1,788	5-40%	June 21

Notes: Value of goods subject to Canadian and EU tariffs is approximate and adjusted to U.S. dollars based on exchange rate on date tariff imposed. Chinese data adjusted for inflation by Bloomberg Government. EU, India, and Russia threatened tariffs on additional imports that aren't shown in this table

Industry-Specific Safeguard Tariffs

Intended to temporarily protect domestic industries hurt by an increase in imports

- Imposed under Section 201 of the Trade Act of 1974

Product	Additional duty	Exempt countries	Years in effect
Solar modules	As much as 30 percent	Some developing country WTO members	Four
Solar cells	As much as 30 percent above a certain quota	Some developing country WTO members	Four
Large residential washing machines	As much as 20 percent, or as much as 50 percent above a certain quota	Canada and some developing country WTO members	Three

About the Analyst



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