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U.S. Announces Suspension of Tariffs on Chinese Goods

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By: Asa W. Markel

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This Sunday (May 20, 2018), U.S. Treasury Secretary Steven Mnuchin announced that the U.S. will suspend the imposition of Tariffs on Chinese goods. This announcement followed talks between the U.S. and Chinese governments, which resulted in a joint statement by the two governments. China has announced that it will increase imports of certain goods from the U.S. However, China has made no monetary commitment. It was previously understood that the U.S. had intended to narrow its trade deficit with China when proposing the list of nearly 1,300 categories of imports that would be subject to an additional 25% tariff. In a separate statement, also on Sunday, U.S. Trade Representative Robert Lighthizer indicated that if China did not make progress on changing its trade practices, the U.S. was prepared to continue utilizing tariffs and similar sanctions against Chinese goods.

Neither the White House nor the U.S. Trade Representative has issued any order regarding any of the tariffs currently in effect. However, it appears that the proposed Section 301 tariff on Chinese goods will not go into effect this summer, as long as China follows through on its commitment to help ease the U.S.'s trade deficit with China. In the meantime, there is no indication that the earlier tariffs – Section 201 tariffs on the importation of washing machines and solar panels, and Section 232 tariffs on steel and aluminum imports – are affected by this decision. The earlier tariffs, together with the various antidumping and countervailing duty orders issued against imported Chinese goods, will remain in effect.