

News & Types: Client Advisories

Trump Directs U.S. Trade Representative to Propose Tariffs on Chinese Imports

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This Thursday, the U.S. Trade Representative (USTR) concluded his seven-month investigation into whether the Chinese government unfairly violates the intellectual property rights of American companies as part of its trade policies. It was not surprising that China, which is listed on the USTR's Priority Watch List every year, was found to be an environment whose policies and practices discriminate against the intellectual property rights of American companies. President Trump ordered the investigation on August 14, 2017, under Section 301 of the Trade Act of 1974.

The President immediately directed the USTR to prepare a list of Chinese products that would be subject to additional tariffs. USTR is required to complete the list by April 6. News reports suggest that the list will target an estimated \$60 billion worth of Chinese exports to the U.S. market. This latest round of tariffs is entirely separate from the tariffs that will take effect this week for imported steel and aluminum from most countries.

For U.S. companies, the tariffs against Chinese goods may have wide ranging effects. Although an importer may purchase goods from a non-Chinese supplier, the goods themselves may still be of Chinese origin. Once the parameters of the new tariffs are known, it will be important for U.S. importers to be aware of the sourcing of their supplies and materials.