

U.S. Trade Dispute with China - July 2018 Update

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*This is not the most updated information on the **U.S. Trade Dispute with China**. **David S. Robinson** has provided the most updated information **here**.*

Recent U.S. Trade Actions

On July 6, 2018, the United States Trade Representative (USTR) imposed an additional duty of 25% on **818 products** of China, under Section 301 of the Trade Act of 1974, (the "25% Round"). The USTR is considering imposing additional duties on another **284 product** lines. The USTR is allowing U.S. stakeholders to petition for the removal of particular products from the list of 818 products currently approved. Public hearings for the 284 remaining product lines in the 25% Round occurred on July 24 and 25. On July 10, the USTR proposed the imposition of an additional 10% tariff on an additional **\$200 Billion** in Chinese imports (the "10% Round"). The public comment period for the 10% Round has opened and public hearings will be held between August 20 and 23.

25% Round - Products Subject to Additional 25% Duty on July 6, 2018:

Annex A to the Notice lists 818 of the original 1,333 product lines that were included on the proposed April 6 list. The USTR notice imposes an additional duty of 25% on these 818 product lines; U.S. Customs and Border Protection began collecting the additional duties on July 6, 2018.

Annex A can be accessed [here](#) (pages 11-16).

25% Round - Additional List of Products Proposed for 25% Duty:

Annex C to the Notice lists 284 additional proposed product lines identified as benefiting from Chinese industrial policies. These 284 product lines will undergo further review in a public notice and comment process, including a public hearing.

Annex C can be accessed [here](#) (pages 45-54).

10% Round - Proposed List:

The proposed 10% additional ad valorem duty on products with an annual trade value of approximately \$200 Billion is detailed by the U.S. Trade Representative [here](#). This determination was predicated upon certain Chinese retaliatory actions and supported by a detailed 200 page report on Chinese business and trade practices.

The comment period dates and the list of proposed product codes can be accessed [here](#).

Aid to American Farmers

In response to tariffs imposed on U.S. agricultural exports by China and other nations (and alleged Chinese manipulation of the international soybean market), the Administration has authorized the U.S. Department of Agriculture to authorize up to \$12 Billion in aid to the American agricultural heartland under The Commodity Credit Corporation Charter Act. Programs include:

- **Marketing Facilitation Program:** Will provide assistance to soybean, sorghum, corn, wheat, cotton, dairy and hog producers.
- **Food Purchase and Distribution Program:** Will authorize the purchase of surplus affected commodities such as fruits, nuts, rice, legumes, beef, pork and milk for distribution to food banks and other nutrition programs.
- **Market Promotion Program:** Will develop new export markets in conjunction with the private sector on behalf of agricultural producers.

We continue to follow these developments closely.

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About David S. Robinson

Few attorneys understand the opportunities and dynamics of global trade better than Nexsen Pruet's David Robinson, Special Counsel and International Business attorney. Based in Raleigh, N.C., he assists clients in cross-border transactions around the world. He helps global businesses integrate corporate compliance and operational programs into subsidiary operations, facilitate the transfer of personnel among operations, comply with export control and boycott regulations and negotiate commercial and joint venture relationships.

Nexsen Pruet is one of the largest law firms in the Carolinas, with more than 190 attorneys and offices in Columbia, Charleston, Greenville, Hilton Head and Myrtle Beach, S.C., as well as Charlotte, Greensboro and Raleigh, N.C. Founded in 1945, Nexsen Pruet provides a broad range of legal services to the business community and represents companies and other entities in local, state, national and international venues.