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Trade Alert: China to Increase Tariffs on June 1st

This morning China's Ministry of Finance announced a retaliatory increase in tariff levels on over 5,000 US goods starting on June 1st. This is an expected response after President Trump announced last week that US tariffs on Chinese made goods were to increase to their full levels beginning on Friday, May 10th.

The announcement from China did not list the specific tariff levels on all products, but at this point all information is pointing to an increase of tariffs on wood products from the US according to the original tariff levels released last year. Again, these new tariffs would be applied to US goods leaving the country after June 1st, 2019.

[Click here](#) for the [USDA GAIN Report](#) which was released last August and is a translation of the Chinese tariff levels by product HS Code. **Wood products are listed beginning on page 11** and have HS Codes beginning with "44". For reference, "4403xxxx" refers to logs, and "4407xxxx" refers to lumber.

If a product is listed under "Schedule 1": it will likely be subject to a 25% tariff. "Schedule II" is a 20% tariff, and "Schedule IV" is a 5% tariff. This means if a product is currently at 5% (like walnut and yellow poplar lumber), it will likely stay at 5%, but products at 10% currently will move up to 20% or 25% according to their place on this list.

Please remember that even though this list is correct for current tariff levels, China is fully capable of adjusting the tariff rates or included species at any time going forward. It is our best available information currently that the increases will proceed as expected according to this list, but anything can change at any time. We will continue to update you with more information as it comes available.

I encourage you to make your voice heard on this issue by contacting your local government representatives. [You can do so here through the Hardwood Federation.](#)