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AHEC Trade Alert: China Reducing ADDITIONAL Tariffs beginning 2/14-- Minimal impact on hardwoods

(February 6, 2020) Today the Chinese Customs Tariff Commission of the State Council announced they would be halving additional tariff rates on some US products starting on Feb 14 “in a bid to promote the healthy and stable development of Sino-US economic and trade relations”. You can see the translated statement [here on the Chinese Government Website](#).

Unfortunately, the change does not impact the vast majority of the major US hardwood export species such as red oak, white oak, cherry, or maple, nor do any tariff rates change for logs.

Based on all information provided at this time, **the tariff adjustment only applies to the additional tariffs which went into effect in September of 2019**. That includes the following forest product HS Codes:

44011200 Non-Coniferous Fuel Wood, In Logs/Billets/Twigs – (initial 20%, increase 10%)

44012100 Coniferous Wood In Chips Or Particles – (initial 20%, increase 10%)

44071190 Wood Of Other Pine, Sawn Lengthwise – (no initial, increase 10%)

44071900 Other Coniferous Wood, Sawn Lengthwise – (no initial, increase 10%)

44079980 Other Temperate Non-Coniferous Wood, Sawn Lengthwise (initial 20%, increase 10%)

A summary of the proposed changes can be downloaded [here](#) in the USDA GAIN Report (Forest Products begin on pg 46). Please note, the scheduled increase on December 15th did not get implemented, so all the products that were scheduled to go up on that date were not affected.

All of the forest product HS codes referenced above were given a 10% increase in September, but that will be adjusted down to only a 5% increase starting next Friday. This means for example on HS Code 44079980, “Other Temperate Non-Coniferous Wood”, the prevailing tariff rate was 20%, then



increased up to 30% in September 2019, and after next Friday will be adjusted down to a total rate of 25%.

The HS Code 44079980 is the only hardwood product being affected by this change. That code refers to “other” US hardwood lumber products that are not included in other tariff categories. This is a common source of confusion because there are actually two “other” categories of hardwood lumber under tariff; 44079980 which discussed above will be at 25% tariff, and 44079930: “North American Hard Wood” which specifically includes maple and walnut and is at a 5% tariff. AHEC encourages hardwood exporters to communicate with their freight forwarders and logistics companies to determine the appropriate HS code and tariff level for each shipment.

We will continue to update you as the situation develops.

Regards,

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