

## HF Trade Alert: Update on Chinese Tariffs

(February 21, 2020) HF has been working closely with our colleagues at the American Hardwood Export Council (AHEC) regarding this morning's news out of China that tariffs on multiple species of hardwood logs and lumber MAY be retracted starting on February 28th, 2020 for the duration of 1 full calendar year through February 27th, 2021. We are still gathering information and exact details, but are cautiously optimistic having heard the news from multiple sources on the ground in China.

As AHEC reports in the note below, this announcement seems to follow the usual Chinese tradition of the "Friday News Dump" and as it is already well past midnight Chinese time we do not expect to know too much more until after the weekend. If anything does happen to come across this weekend we will pass along information as soon as we are able.

### From AHEC:

We have received the list of products which could potentially have tariffs removed starting next Friday. [The list](#) comes from the statement by China's State Council Tariff Commission.

You can view the announcement (in Chinese) here:

[http://qss.mof.gov.cn/qzdt/zhengcefabu/202002/t20200221\\_3472600.htm](http://qss.mof.gov.cn/qzdt/zhengcefabu/202002/t20200221_3472600.htm)

The attached form is "1.第二批对美加征关税商品第一次排除清单" from the State Council Tariff Commission statement, which appears to be goods where tariffs will no longer be levied and importers are eligible for refunds. You'll notice several US hardwood product HS codes on this list such as oak lumber and logs, cherry and ash lumber, and "other" hardwood lumber and logs. You'll also see that oak lumber and logs are marked with "ex" for "excluded". We are working to define exactly what that will mean for these products and what the definite tariff rate will be moving forward.

There is still confusion about this program and the implementation, and with the drastic changes over the past weeks including the tariff reduction application announcement, the situation should still be considered fluid and subject to further change.

We are continuing to work with our contacts to assess the situation and impact on our industry and will update you as we receive more information. As with previous announcements, the Chinese government has decided to release this statement out of the blue on Friday afternoon their time. It's currently past midnight leading into the weekend in China so we will likely not have official clarification from our government contacts until next week.

Thank you.  
Hardwood Federation