

## China Tariff Update

China's Ministry of Finance announced this morning that it would increase tariffs on 5,140 U.S. goods starting on June 1 in retaliation to U.S. increases on Chinese products last week. Many if not all the impacted products were identified for 25% tariffs in late December, but were frozen at 5%-10% in light of positive negotiations between the two countries. Few details are available, but the notice did indicate that:

- 2,493 items will be tariffed at 25%;
- 1,078 items will be subject to 20% tariffs;
- 974 items will be subject to 10% tariffs; and
- 595 items will continued to be levied at 5%.

The Wall Street Journal is reporting that tariffs will impact goods leaving the U.S. after June 1. At this point we are hearing that various species of hardwoods will be impacted by the increases, but final translated lists are not yet available. It seems likely that U.S. wood imports to China will be tariffed at the rates announced prior to the freeze:

- Oak species at 25%;
- Cherry and ash at 20%; and
- Walnut, hard maple, tulipwood and alder at 5%.

However we cannot confirm these tariff levels at this time. As soon as we can confirm what species will be impacted at what level we will communicate that information. We are also hearing that China may put into place an exclusion process allowing Chinese importers of U.S. products impacted by this latest round of increases to petition for relief of the tariffs on certain goods. Again, there is not yet confirmation of this move. As information becomes available, we will forward it to our mailing lists.

The Hardwood Federation is reaching out to our contacts at the U.S. Department of Agriculture to assess the potential of economic relief for those in the hardwood industry impacted by the U.S. China dispute. We will share any insight we receive.