

TARIFFS & THE IMPACT TO YOUR BUSINESS

Value of Chemicals Impacted by Tariffs (US & China)

\$15.4 billion

Value of Chinese chemicals and plastics targeted by US tariffs

\$10.8 billion

Value of US chemicals and plastics targeted by Chinese tariffs

The Effects of Tariffs



Increasing costs



Shrinking margins



Cutting off markets



Decreasing growth



Disrupting supply chains



Potential job loss

US - Mexico

The U.S. has dropped the threat of a **5% tariff** on all Mexican imports after reaching a deal with Mexico on measures to stem the flow of migrants pouring into the U.S. The increase was set to take place Monday, **June 10.**

US-China

US increased tariffs on approximately **\$200 billion** of Chinese origin goods (2018)

US proposed a new set of tariffs on approximately **\$300 billion** of Chinese goods (2019)

China-US

China increased tariffs on approximately **\$60 billion** of US origin goods (2018)

China has increased tariffs to **25%** for over **1000 different chemicals**

US-China Export Impact

China is the **third biggest export market** for US chemical manufacturers

Retaliatory tariffs dampened US chemical exports to China, resulting in only a **2.7% increase** in 2018 – nearly tripling the chemicals trade deficit, from **\$1.4 billion to \$4.0 billion**

Impact on Chemicals

Normal duty rate in the US is **2-3%** on industrial goods (chemicals)

Increased tariff rates in upwards of **25%** significantly impacts costs

US - EU

US proposed new tariffs on approximately **\$11 billion** of goods that originate from the EU

US proposed new tariffs on **\$365 million** in US imports of essential oils and resinoids from the EU - **3%** of the **\$11 billion** in EU-made products would be considered with new import duties

EU - US

EU proposed **20 billion Euros** on US origin goods (including over **100** different chemicals)

EU response targets **\$3 billion** in chemicals and plastics - **15%** of the total value of US exported goods that are covered by the EU's list

