

# TARIFFS & THE IMPACT TO YOUR BUSINESS

## Value of Chemicals Impacted by Tariffs (US & China)


**\$26.4 billion**

Value of Chinese chemicals and plastics targeted by US tariffs


**\$6.1 billion**

Value of US chemicals and plastics targeted by Chinese tariffs

## The Effects of Tariffs


 Disrupting supply chains

 Increasing cost

 Unforeseen issues

 Stunting growth

 Eroding margins


 Potential job loss

## Strategies to Implement

 Change sourcing locations

 Miscellaneous Tariff Bill

 Seek exclusions

 Check classifications

## US-China

US increased tariffs on approximately **\$250 billion** of Chinese origin goods (2018-2019)

US proposed a new set of tariffs on approximately **\$300 billion** of Chinese goods including 1517 chemicals and plastics (2018-2019)

## China-US

China increased tariffs on approximately **\$110 billion** of US origin goods (2018-2019)

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 issued new tariffs on approximately **\$7.5 billion** of goods that originate from the EU (2019)

The US has levied a **10% tariff** on European aircraft and a **25% tariff** on agricultural goods, industrial products and other imports from the EU

## 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

