**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

**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-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

**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


© 2020 BDP International