

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

 Increasing costs

 Shrinking margins

 Cutting off markets

 Decreasing growth

 Disrupting supply chains

 Potential job loss

Strategies to Implement

 Change sourcing locations

 Utilize the Miscellaneous Tariff Bill

 Seek & manage exclusions

 Check classifications

US-China

US increased tariffs on approximately **\$500 billion** of Chinese origin goods (2018-2020)

China-US

China increased tariffs on approximately **\$150 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**

US-China Exclusions

The US has **issued exclusions** to products that were once taxed; research your products to seek some recovery of your duty - **Only US entities** apply for recovery

The US and China have undertaken a phase one agreement, China has issued guidance for Chinese importers to receive **possible exclusions** to their duties and taxes

Impact on Chemicals

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

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

US - EU

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

The US has levied a **10%** tariff on European aircrafts 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

