

Chemical makers oppose new tariffs

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In June, chemical manufacturers converged on Washington, D.C., to urge the Office of the U.S. Trade Representative (USTR) to remove certain chemicals from a new list of tariffs proposed by the Trump administration. The additional taxes on \$300 billion of Chinese goods could hurt U.S. chemical companies' competitiveness, according to an

article in *Chemical & Engineering News (C&EN)*, the weekly newsmagazine of the American Chemical Society.

Last year, in an attempt to protect U.S. trade, the Trump administration imposed 25% tariffs on \$50 billion worth of Chinese imports, which the Chinese government reciprocated. Since then, the trade war with China has escalated, culminating with a new list—called List 4—of Chinese products that would be subject to duties of up to 25%. Combined with the earlier tariffs, these would have a total impact of \$26.4 billion on chemical and plastic imports, Senior Editor Alexander Tullo writes. Although List 4 is on hold for now as President Trump and Chinese President Xi Jinping resume trade talks, chemical manufacturers are still concerned that new and existing tariffs could affect their bottom line.

Intended to make U.S. companies more competitive, tariffs on Chinese goods could actually have the opposite effect, chemical manufacturers argue. Some companies rely on [raw materials](#) that can only be sourced from China. As a result, foreign manufacturers who do not have to pay tariffs would gain a pricing advantage over U.S. firms. Socma, a trade group for specialty chemical makers, submitted a list to the USTR of 269 chemicals and other materials that would cause hardship for their members if subjected to tariffs. Nonetheless, not every [chemical company](#) is against every tariff: Some support tariffs on chemicals subsidized by the Chinese government that are dumped into the U.S. at below-market prices.

More information: "Chemical makers fight new Trump tariffs," [cen.acs.org/policy/trade/Chemical ... ght-new-Trump/97/i27](https://cen.acs.org/policy/trade/Chemical-makers-fight-new-Trump-tariffs/97/i27)

Provided by American Chemical Society

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