

Tariffs on \$200 billion of Chinese goods will increase to 25%, confirms Lighthizer

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On Sunday, May 5, U.S. President Donald Trump tweeted that the current 10% tariff on \$200 billion in Chinese imports to the United States would increase to 25% [on Friday, May 10](#). On Monday, United States Trade Representative (USTR) Robert Lighthizer confirmed the administration's plans, saying the tariff rate increase would take effect [at 12:01 a.m. Friday](#).

Additionally, President Trump tweeted on Sunday that the remaining \$325 billion in Chinese imports not currently subject to Section 301 tariffs would be hit with a 25% tariff "shortly." Combined, the two actions would subject virtually all Chinese imports to the United States to a 25% tariff.

The President's weekend announcement followed last week's visit to Beijing by Treasury Secretary Steven Mnuchin and Ambassador Lighthizer. A Chinese delegation led by Vice Premier Liu He was scheduled to travel to Washington this week, for what many thought would be a final round of negotiations ahead of a U.S.-China trade deal. Currently, meetings remain scheduled for Thursday and Friday, although there has been speculation about their status following the President's tweets (e.g., it is uncertain whether Liu He will still lead the delegation).

U.S. officials have indicated that the two nations have made substantial progress since the trade truce and tariff freeze announced by President Trump and Chinese President Xi Jinping on December 1, 2018. In recent days, however, the Administration has been frustrated by China's apparent back-pedaling on previously agreed-upon commitments as negotiations get more specific ahead of a final agreement.

Already, \$50 billion in Chinese imports are subject to a 25% tariff under the administration's actions pursuant to its Section 301 Investigation into China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation. President Trump has twice delayed previously-scheduled increases to 25% for the \$200 billion in imports now subject to a 10% tariff.

Whether enough progress can be made this week to hold off the President's threatened tariff increase remains to be seen.