



## SUPPLY CHAIN UPDATE | May 2019

Date: May 15<sup>th</sup>, 2019

From: Phil Wehrli, Senior Vice President Global Supply Chain and Planning

Josh Chien, Senior Vice President Global Sales, Marketing, and Customer Experience

---

Dear Valued Customer,

We appreciate your continued support and believe that SMTc is well positioned in managing the recent developments with the tariffs. We look forward to mutually supporting the efforts to continue to mitigate affects to our businesses. With the recent announcements in regards to the increase in tariffs from products shipping from China we wanted to share what we have learned relative to U.S. Trade Representative Section 301.

We want to provide some resources as a reminder of the current tariffs effectivity:

The 3 Lists were announced as of September 24<sup>th</sup>, 2018 with the *latest update on list 3 where tariffs at 10% growing to 25% on May 10, 2019.*

A proposed modification on \$300B (List 4) of imports from China will undergo a review in the coming weeks.

### List 1

- Went into effect on Friday, July 6<sup>th</sup>, 2018
- 25% tariff on all identified HTS codes
- List of affected HTS codes:
- <https://ustr.gov/sites/default/files/enforcement/301Investigations/List%201.pdf>

### List 2

- Went into effect August 23, 2018
- 25% tariff on all identified HTS codes
- List of affected HTS codes:
- <https://ustr.gov/sites/default/files/enforcement/301Investigations/List%202.pdf>

### List 3

- Formerly 10% moving to 25% effective June 1, 2019 (primarily PCB's for our industry)
- List of affected HTS codes:
- [https://ustr.gov/sites/default/files/301/2018-0026%20China%20FRN%207-10-2018\\_0.pdf](https://ustr.gov/sites/default/files/301/2018-0026%20China%20FRN%207-10-2018_0.pdf)

### List 4

- Proposed date: TBD
- 25% on all identified HTS codes
- Primarily impacts Consumer Products
- Unofficial list of effected HTS codes:
- <https://www.cmtradelaw.com/2018/10/latest-u-s-trade-actions-tariffs-and-other-countries-retaliatory-measures/>





---

## SUPPLY CHAIN UPDATE | May 2019

With List 4 containing fewer items that impact our industry, along with the NAFTA replacement called the United States-Mexico-Canada Agreement (USMCA) announced on October 1<sup>st</sup>, 2018 we see this as an opportunity to continue to leverage SMTC's Mexico footprint to benefit our customers.

We will continue to update you as information becomes available, and will be placing this and future updates on our website.

Warmest regards,

Phil Wehrli, Senior Vice President Global Planning & Supply Chain

Josh Chien, Senior Vice President Global Sales, Marketing, & Customer Experience

