



Section 301 Update: USTR Publishes Proposed List of Chinese Products Subject to Additional Tariffs

April 09, 2018

The Special 301 Report is prepared annually by the Office of the United States Trade Representative (**USTR**) under Section 301 of the Trade Act of 1974. This report identifies trade barriers to US firms and products due to the intellectual property laws in other countries. The USTR had, on 18 August 2017, initiated an investigation into acts, policies, and practices of China related to technology transfer, intellectual property, and innovation. The outcome of this investigation was released on 22 March 2018.

On 3 April 2018, the Office of the (**USTR**) released a proposed [list](#) of products that will be subject to tariffs of 25% in response to findings from the Section 301 investigation into China's Intellectual Property practices.

The list consists of products that have been identified by eight-digit tariff items. Notably, many of these products are in Chapters 84, 85 and 90 of the United States' Harmonized Tariff Schedule.

The product categories covered by USTR's release include:

- Organic chemicals, including active pharmaceutical ingredients;
- Pharmaceutical products;
- Iron, steel and aluminum;
- Machinery (both mechanical and electronic), but excluding wireless and telecom devices;
- Construction and agricultural equipment;
- Electrical equipment, including transformers;
- Measuring and checking instruments.

USTR is presently seeking public comments till 11 May 2018. On 15 May 2018, the USTR will hold public hearing where parties will be sharing their views on the proposed tariffs. Post-hearing rebuttal comments may be submitted up till 22 May 2018.

China's response

China was swift in its tariff retaliation against the United States. Within one day, it announced a list of [106 products](#) on which China will be imposing an additional duty of 25%. The targeted products include agricultural products such as corn and tobacco, automobiles, aircrafts and a wide range of chemicals and plastic products.

The value of these additional tariffs is calculated to be approximately USD 50 billion which is the same value of additional tariffs imposed by the United States on China.

India's reaction

The Government of India has not taken any official position in this 'tariff-tiff' between China and the United States.

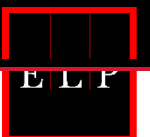
Indian businesses producing goods on which these tariffs are being imposed could potentially benefit from this current situation. It is also possible that new business opportunities may open as upstream industries try to enter into new arrangements to reduce their costs.

Regards,

ELP International Trade & Customs Team

Economic Laws Practice is constantly monitoring updates.

Disclaimer: The information provided in this update is intended for informational purposes only and does not constitute legal opinion or advice. Readers are requested to seek formal legal advice prior to acting upon any of the information provided herein. This update is not intended to address the circumstances of any particular individual or corporate body. There can be no assurance that the judicial/ quasi judicial authorities may not take a position contrary to the views mentioned herein.



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