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U.S.-China Trade Developments: Biden Administration Announces New Tariffs

In a [Rose Garden address](#) on May 14, 2024, President Biden announced new tariffs on Chinese goods. This alert provides a brief overview of the tariffs and their potential impact on businesses engaged in or competing against U.S.-China trade. Businesses whose supply chains include goods made in China should assess the implications for their operations and consider strategic adjustments to their supply chains and trade practices. Businesses producing these goods should assess the implications these measures will have on their U.S. markets.

New Tariff Measures: The Biden Administration [announced](#) a significant increase in tariffs on a variety of Chinese goods. The tariffs are projected to cover around \$18 billion USD in annual imports. The list of covered goods includes **steel, aluminum, semiconductors, electric vehicles, batteries, critical minerals, solar cells, port cranes, and medical products**. Tariffs on those goods will range from 25 to 100 percent. These tariffs are set to take effect between this year and 2026, increasing in a staggered manner.

Strategic Considerations: These tariffs strategically target industries that the United States is actively trying to develop domestically. The Administration must balance this goal against the risks of Chinese retaliation and potential inflationary effects. Similar tariffs in the past have included the possibility for exclusions for particular products.

Political Dynamics: The tariff increases reflect a continued bipartisan shift away from unfettered free trade policies towards China. Former president and current candidate Donald Trump has proposed an across-the-board 60 percent tariff on all Chinese goods should he be re-elected.

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