

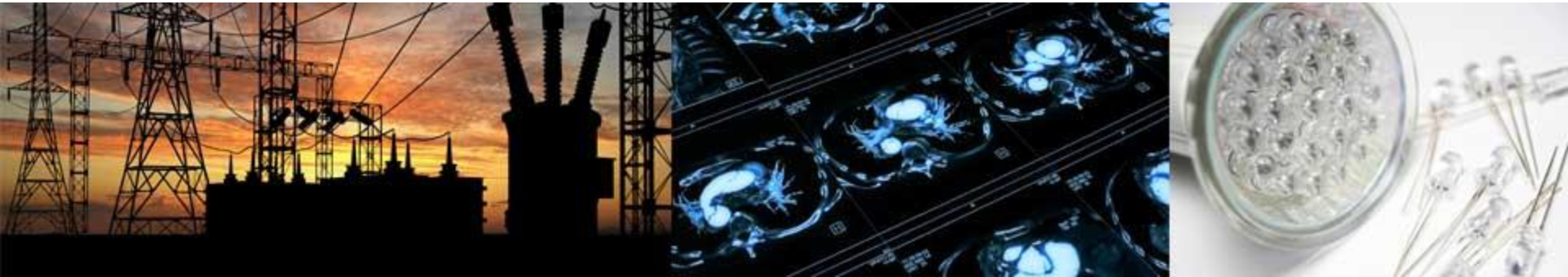
# Tariff Developments for the U.S. Electroindustry

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*Updated June 21, 2018*



The Association of Electrical and Medical Imaging Equipment Manufacturers





# Overview

- U.S. tariffs on imports from China
- Tariffs on imported steel, aluminum
- Mexico, Canada, EU China retaliatory tariffs re steel/aluminum
- New investigation on autos, trucks, parts



## 6/15 White House Statement

- U.S. will impose 25% tariffs on \$50B of Chinese shipments “containing industrially significant technologies”
  - prevent further unfair transfers of U.S. technology and intellectual property
  - “initial step toward bringing balance to the trade relationship”
- No mention of 5/29 plan re investment restrictions, enhanced export controls
  - List of restrictions and controls TBA 6/30



# U.S. “Section 301” China Tariffs Process

- 25% added tariffs on \$34 billion imports
  - “List 1”: July 6 effective date
  - 100+ products of interest to NEMA
- Addl. \$16 billion imports proposed
  - “List 2”: new public comment period, hearing
  - More NEMA scope products, inputs targeted
- Product exclusion request process TBA
- Addl. \$200 billion to be targeted for 10% tariffs should China retaliate



# July 6 Products in NEMA Scope

## ■ Industrial Products and Systems

- Arc welding
- Electric motors and generators
- Motor starters, drives, control centers
- Relays, switches
- Certain parts
- Magnet wire of copper or aluminum

## ■ Building Infrastructure

- Fuses for  $\leq 1,000$  V



## July 6 Products in NEMA Scope (2)

- **Lighting Systems**

- Certain lamps
- Light-emitting diodes (LEDs)

- **Building Systems**

- Lithium, air-zinc and ni-cad batteries, parts
- Thermostats
- Circuit breakers, electrical panels, parts
- Parts of electrical submeters
- Insulated copper, aluminum wire and cable



## July 6 Products in NEMA Scope (3)

- **Medical Imaging**

- Ultrasound
- Magnetic Resonance
- Magnets for MRIs
- Computed Tomography (CT)
- X-ray

- **Transportation Systems**

- Electrical signaling, safety, or traffic control equipment and parts



## July 6 Products in NEMA Scope (4)

- **Utility Products & Systems**
  - Certain electric transformers
  - Electric meter parts
  - Certain switchgear, incl. circuit breakers
  - High voltage surge arresters
  - Capacitors





## June 15 Proposed Addl. Products

- Insulating Materials, Non-Metallic Parts, Industrial Laminates
  - Polyvinyl chloride
  - Resins and polycarbonates in primary forms
  - Polymer tubes, pipes and hoses
  - Electrical tapes
  - Non-adhesive plates, sheets of non-cellular plastics (laminates)



## June 15 Proposed Addl. Products (2)

- **Wire and Cable**

- Bare aluminum stranded wire
- Insulated electric conductors for  $>1\text{kV}$

- **Industrial Products and Systems**

- Electric motors
- Motor overload protectors
- Certain low-voltage switches, control panels

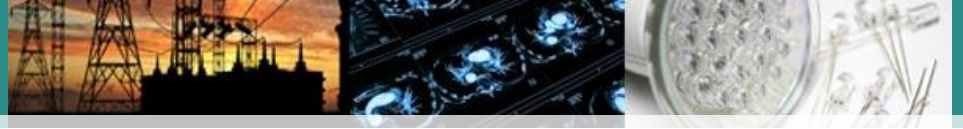
- **Utility Products and Systems**

- Electricity meters



# China's Retaliation List

- Aimed at \$50 billion in U.S. shipments
- NEMA scope
  - Epoxide resins (insulating materials)
- Other sectors targeted
  - Aircraft, automobiles, some alcohol, chemicals and petrochemical products (incl. plastics), beef, and many agricultural products



# U.S. Tariffs on Steel and Aluminum

- 25% added on steels, 10% on aluminum
  - Effective 3/23 for China, India, Russia, Japan
  - [Effective 6/1](#) for EU, Canada, Mexico
  - Exempt from tariffs (accepted quotas)
    - Australia, Argentina, Brazil, South Korea
  
- Product exclusion requests [being filed](#)



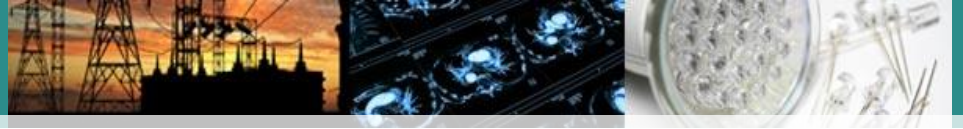
## Items of Known Concern

- Electrical steels
  - Grain oriented (GOES)
  - Non oriented (NOES)
- Battery Quality Hot Band (BQHB)
- Flat-rolled steel, of width < 600 mm, nickel plated
- Aluminum rod
- Aluminum wire



## Canada and Mexico Retaliation

- U.S. measures are not based on national security and are illegal protections
- Canada draft target list includes
  - Some industrial automation products
  - Some utility switchgear products
  - Aluminum rod and wire
- Mexico targeting U.S. shipments of
  - Flat steel
  - Specialty light fixtures category



## European Union Retaliation

- EU Commission charges U.S. measures violate WTO agreement
- List of U.S. products targeted for tariffs on 6/20 does not include any NEMA products
  - Manganese dioxide cells and batteries incl. on 2<sup>nd</sup> list of products to be tariffed in 2021 or as soon as WTO agrees with EU that U.S. action violates trade rules



# China, India, Turkey Reaction

- **Joining challenge of U.S. measures at WTO**
  - China retaliation list does not contain any items in NEMA product scope
    - Includes steel pipes, modified ethanol, agri. products
  - India retal. list incl. motorcycles, snowmobiles, golf carts
  - Turkey list incl. non-medical X-ray apparatus





# NEMA Comments on Steel/Aluminum Product Exclusion Process

- Filed 5/17, call for
  - Allowing trade assocs. to file exclusion requests
  - Correction of erroneous filing burden estimates
  - Refund of duties paid since 3/23 for products subsequently excluded



# New U.S. Investigation on Autos, Parts

- At President's direction, Commerce Dept. launched inquiry 5/23 into natl. security threat of imported autos, trucks, auto parts
- Public comment period
  - 6/22 deadline for written comments, requests to testify at public hearing
  - 7/6 deadline for rebuttal comments
  - 7/21-22 public hearing in Washington, DC



# Questions? Thanks for Your Attention!

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