

Macro Roundup Article

Headline: [A Detailed Look at Biden's New China Tariffs](#)

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Tweet: The recent Biden tariffs are largely designed to protect two sectors already boosted by recent US industrial policy: semiconductors and green energy manufacturing. @JosephPolitano

Summary: The tariffs were largely designed to protect the sectors boosted by America's two major industrial policy bills—the CHIPS Act and Inflation Reduction Act—while guarding against the recent surge in Chinese net exports. Policymakers have gambled that American industry can quickly match the complexity and scale of China's supply chain across a variety of key sectors and are hoping trade restrictions can give domestic manufacturers more room to catch up. So far, real US battery production has risen more than 25% since the passage of the IRA in late 2022, and employment in the sector is up roughly 10% over the same period. Yet that growth has still not been nearly enough to meet domestic demand—in 2023, US manufacturers' battery shipments totaled \$15.8B while net imports totaled \$23.9B. The US has tens of billions in battery manufacturing capacity currently under construction, but America's battery industry would still have to grow significantly faster just to replace current Chinese imports, let alone to meet increasing demand from rising cleantech deployment.

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Primary Topic: Trade (not deficits)

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