US Fed: Shoppers could feel trade spat pain soon

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United States Federal Reserve Chairman Jerome Powell warned that US consumers could eventually feel the sting from the trade spat with China and other countries.  
"You could see retail prices moving up," Powell said at a news conference in Washington on Sept 26 when announcing the Fed's decision to raise its bench mark interest rate for the third time this year. He added that "we're not seeing it yet".  
US retailers are issuing the same warning: Consumers will be seeing higher prices for items from China hit by the US President Donald Trump administration tariffs that took effect on Sept 24.  
The tariffs focus on thousands of items bought by US consumers, including washers, dryers, handbags, seafood, carpets, shampoo, tools, baseball gloves, gift wrap and dog leashes.  
"The entire retail industry will be hurt by tariffs," said Thomas Jordan, a spokesman for the National Retail Federation. "Virtually all major retailers sell products imported from China."  
On Sept 17 the Trump administration announced that it would levy a 10 percent tariff on $200 billion worth of Chinese imports.  
The White House said it would increase the duties from 10 to 25 percent at the beginning of 2019. China retaliated with tariffs on $60 billion worth of US imports.  
Unlike the tariff imposed earlier on industrial goods, the items on the Trump Administration's most recent list focus on thousands of everyday household items bought by US consumers.  
The move also had some industry insiders worried about challenges to restructuring supply chains.  
Jordan said retailers have very complex supply chains that span the globe and cannot quickly or easily change from one to the other. Even slight changes to the supply chains could drastically increase costs.  
"Both retailers who import directly and those who buy from third-party wholesalers are talking with their suppliers and vendors to assess the impact," he said.

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