The US-China Trade War: A Timeline



This article, originally published on August 31, 2018, will be updated as the US-China trade dispute develops.

In early July, US President Donald Trump followed through on months of threats to impose sweeping tariffs on China for its alleged unfair trade practices.

So far, the US has already slapped tariffs on US\$250 billion worth of Chinese products, and has threatened tariffs on US\$267 billion more.

China, for its part, has set tariffs on US\$110 billion worth of US goods, and is threatening <u>qualitative measures</u> that would affect US businesses operating in China.

With neither Trump nor Chinese President Xi Jinping willing to back down, US-China trade tensions could erupt into a <u>full-blown trade war</u>. China's own Ministry of Commerce warned that the dispute may even lead to "the largest trade war in economic history to date".

Here, we present a timeline of the major events of the trade conflict, and what led up to it. The timeline will be continually updated as events of note occur.

US-China trade war

Total US tariffs applied exclusively to China: US\$250 billion

Total Chinese tariffs applied exclusively to US: US\$110 billion

Day 206-207: January 30-31, 2019 – US and China hold 2-day trade talks in Washington D.C.

The US and China hold in-person talks in Washington D.C., with Liu He leading China's trade delegation. During the negotiations, China offers to buy five million tons of US soybeans. Trump announces that he will meet with Xi in-person in February.

Day 201: January 22, 2019 – US cancels preparatory talks with China

The US White House <u>reportedly</u> cancel a trade planning meeting with two Chinese vice ministers ahead of trade talks to be held in Washington D.C. US officials cited disagreements over the enforcement of IP rules as the reason for the cancellation.

Day 186–188: January 7–9, 2019 – US and China engage in 3-day trade talks in Beijing

On January 7, official delegations from US and China began trade talks, which were held in Beijing – the first face-to-face meeting since agreeing to a <u>90-day truce</u>, which ends March 1.

Originally scheduled to take place over two days, the discussions extended a day further after many issues remained unresolved. China's top economic adviser Liu He also made a surprise appearance at the talks, which were intended to be at a vice-ministerial level only.

The discussions were divided into two areas — 'trade issues', which included trade imbalances in certain sectors and 'structural issues', such as forced technology transfers, intellectual property protection, and non-tariff barriers.

After the talks, China's Commerce Ministry issued a statement that the talks were "extensive and established a foundation for the resolution of each other's concerns."

The USTR issued a statement announcing China's pledge to purchase a "substantial amount of agricultural, energy, manufactured goods, and other products and services from the US", but noted that several outstanding issues remain. The official statement can be found here.

Both sides have agreed to continue to keep in close contact.

Day 162: December 14, 2018 — China to temporarily lower tariffs on US autos; resumes buying US soybean exports

China's Ministry of Finance announces that it will temporarily remove additional 25 percent tariffs on US autos and five percent tariffs on certain US auto parts for three months, beginning on January 1, 2019.

During this period, US auto imports will be subject to China's standard 15 percent tariff rate on foreign autos

The suspension of these tariffs will affect 144 auto products as well as 67 auto-parts and marks the first concrete concession since the 90-day trade war truce made at the G20 Buenos Aires Leaders' Summit. The official announcement can be found here.

China also resumes its purchase of US-soybeans, with reports showing that a large purchase of 1.5 million tons of beans was made.

In July 2018, China stopped purchasing US-produced soybeans in retaliation to US-tariffs on Chinese imports, marking the beginnings of the trade war as we know it.

Day 150: December 2, 2018 – US and China agree to temporary truce

The US and China agree to a temporary truce to de-escalate trade tensions, following a working dinner at the G20 Summit in Buenos Aires on December 1, 2018. According to the agreement, both the US and China will refrain from increasing tariffs or imposing new tariffs for 90 days (until March 1, 2019), as the two sides work towards a larger trade deal.

More specifically, the US will refrain from increasing the tariffs described in **List 3** that were slated to increase from 10 percent to 25 percent on January 1, 2019, and will not impose previously threatened tariffs on an additional US\$267 worth of Chinese goods. For its part, China will purchase more US products — especially agricultural and energy products — and will crack down on the production and distribution of Fentanyl, a synthetic opioid produced primarily in China.

The official US statement can be found here.

The official Chinese statement can be found here.

Day 137: November 19, 2018 – US releases list of proposed export controls on emerging technologies

The US Bureau of Industry and Security (BIS) <u>publishes</u> proposed export control rules on emerging technologies for public comment. According to the proposed rules, emerging technologies such as artificial intelligence (AI), robotics, and quantum computing could be subject to export controls because they are dual-use technologies that could be used for military purposes. The rules do not specify China, but are <u>widely considered</u> by observers to be related to US efforts to prevent China from acquiring sensitive technologies.

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Day 127: November 9, 2018 – US and China resume trade talks

The US and China <u>reportedly</u> resume trade talks, via a phone call between US Treasury Secretary Steve Mnuchin and Chinese Vice Premier Liu He. According to the report, the two sides discussed a framework for a trade deal, or at least a "ceasefire" to reduce tensions.

Day 117: October 30, 2018 – US reportedly prepared to announce tariffs on remaining Chinese products

The US is <u>reportedly</u> prepared to announce tariffs on all remaining Chinese products by early December if talks between Trump and Xi at the G20 in Argentina are not successful. Based off trade figures from 2017, that would mean new tariffs on about US\$257 worth of Chinese goods. If announced in early December, the tariffs would likely take effect in February 2019.

Day 112: October 25, 2018 – US and China officials resume contact

US and China working-level officials <u>reportedly</u> resume contact after weeks of silence. The officials are reportedly preparing for Trump and Xi to meet on the sidelines of November's G20 meetings in Argentina.

Day 81: September 24, 2018 – US and China implement third round of tariffs

US: The US implements tariffs on US\$200 billion worth of Chinese goods (**List 3**), bringing the total amount to US\$250 billion. The tariffs carry an initial rate of 10 percent, and will be increased to 25 percent by January 1, 2019. The full and finalized **List 3** can be found <u>here</u>.

CN: China responds to US tariffs by implementing tariffs on US\$60 billion worth of US goods (**List 3**). **List 3**, originally published on August 3, can be found here, but with updated tariff rates of either five percent or 10 percent, as announced here.

China also released a White Paper, laying out the government's official position on the US-China trade relationship. The White Paper can be accessed here.

Day 79: September 22, 2018 – China cancels trade talks with US

China <u>cancels</u> trade talks planned with the US ahead of the impending implementation of US tariffs on US\$200 billion worth of Chinese goods (**List 3**).

Day 75: September 18, 2018 – China announces retaliation for US tariffs

China announces that it will implement tariffs on US\$60 billion worth of US goods (**List 3**) after the latest round of tariffs from the US (worth US\$200 billion) go into effect on September 24.

Day 74: September 17, 2018 – US finalizes tariffs on US\$200 billion of Chinese goods

The USTR <u>announces</u> the finalized list of tariffs on US\$200 billion worth of Chinese goods (**List 3**). The US <u>says</u> that the tariffs will go into effect on September 24 at an initial rate of 10 percent, to be increased to 25 percent by January 1, 2019. The full and finalized **List 3** can be found here.

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Day 69: September 12, 2018 – US invites China to re-open negotiations

The White House's top economic advisor, Larry Kudlow, <u>says</u> that the US has invited China to restart trade negotiations before tariffs on US\$200 billion worth of Chinese goods (**List 3**) go into effect.

Day 64: September 7, 2018 – Trump threatens new tariffs

After the public comment period for **List 3** of US tariffs on Chinese products ended on September 6, 2018, Trump <u>threatens</u> to impose tariffs on US\$267 billion more. That would bring the total amount of tariffs threatened or imposed by the US on China to US\$517 billion, accounting for essentially all Chinese exports to the US. In 2017, the US imported US\$505 billion worth of products from China.

Day 49: August 23, 2018 – US and China implement second round of tariffs, China files second WTO complaint

US: US implements a 25 percent tariff on 279 goods originating from China (worth US\$16 billion). Goods targeted include: semiconductors, chemicals, plastics, motorbikes and electric scooters. The full and finalized **List 2** can be found here.

CN: China implements retaliatory 25 percent tariffs on 333 goods originating from the US (worth US\$16 billion), including commodities such as: coal, copper scrap, fuel, buses and medical equipment. The full and finalized **List 2** can be found here.

China also files a new WTO complaint against the United States' Section 301 tariffs on Chinese goods issued on August 23 under **List 2** (25 percent tariffs on US\$16 billion).

Day 48-49: August 22-23, 2018 - US-China dialogue

US and Chinese mid-level representatives meet for the first time since early in the trade war. US Treasury Under Secretary David Malpass and Chinese Commerce Vice Minister Wang Shouwen met in Washington DC to discuss ways to resolve the deepening trade conflict and

Day 40: August 14, 2018 — China files WTO claim against US

The Chinese Ministry of Commerce <u>announces</u> that a formal case has been lodged at the WTO against the US for its tariffs on solar panels, alleging that US tariffs have damaged China's trade interests.

Day 33: August 7, 2018 – Second round of tariffs finalized and released

US: US releases a revised version of tariffs on a final list of US\$16 billion worth of imports from China (**List 2**). Set to take effect August 23, **List 2** announces that the US\$16 billion of imports will now be subject to a 25 percent tariff rather than previously announced 10 percent.

Five of the 284 items in the original list published on June 15 were removed, these being: alginic acid, splitting machines, containers, floating docks, and microtomes (collectively worth US\$400 million in 2017).

CN: China's Ministry of Commerce announces a reciprocal 25 percent additional tariff on US\$16 billion of US exports to China, effective August 23, 2018. The tentative **List 2** can be found <u>here</u>.

Day 29: August 3, 2018 – China announces second round of tariffs on US products

In response to potential US tariffs on US\$200 billion worth of products announced on August 1, 2018 (**List 3**), China's Ministry of Commerce proposes a range of additional tariffs on 5,207 products originating from the US (worth US\$60 billion), including the following:

- 25 percent on 2,493 products (agricultural, products, foods, textiles and products, chemicals, metal products, machinery);
- 20 percent on 1,078 products (foods, paperboard, chemicals works of art);
- 10 percent on 974 products (agricultural products, chemicals, glassware); and
- 5 percent on 662 products (chemicals, machinery, medical equipment).

The tentative **List 3** can be found here.

Day 28: August 2, 2018 – US tariffs revisions (US\$200 billion)

The USTR, at the direction of Trump, considers a 25 percent tariff rather than a 10 percent one on **List 3**, which was originally announced on July 10, 2018. The list targets approximately US\$200 billion worth of goods and includes categories such as: consumer products, chemical and construction materials, textiles, tools, food and agricultural products, commercial electronic equipment and vehicle/automotive parts.

Day 5: July 10, 2018 – US releases second tariff list

US: The USTR releases a <u>third list of tariffs</u> (**List 3**) of over 6,000 commodities originating in China (worth US\$200 billion), which will be subject to a 10 percent tariff.

Day 1: July 6, 2018 – US implements first China-specific tariffs

US: The US Customs and Border Protection (CBP) begins collecting a 25 percent tariff on 818 imported Chinese products (**List 1**) valued at US\$34 billion – giving effect to the first round of tariffs, which were revised and announced on June 15, 2018.

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Meanwhile, the second round of tariffs discussed in **List 2** is under review, which proposes implementing a 25 percent tariff on 284 Chinese products (worth US\$16 billion). Commodities targeted in this round of tariffs include: iron or steel products, electrical machinery, railway products, instruments and apparatus.

CN: China takes retaliatory measures by imposing a 25 percent tariff on 545 goods originating from the US (worth US\$34 billion), including agricultural products, automobiles and aquatic products. The full and finalized **List 1** can be found here.

Events leading up to the US-China trade war

June 16, 2018: China revises its initial tariff list (25 percent on 106 products) to now include a 25 percent tariff on 545 products (valued at US\$34 billion). This tariff will take effect July 6, 2018. China also proposes a second round of 25 percent tariffs on a further 114 products (valued at US\$16 billion).

June 15, 2018: Initial list of products reduced and finalized. List 1 now implements a 25 percent tariff on a reduced 818 products (from 1,334) and is set to take effect on July 6, 2018. List 2 of 284 new products is also announced and under consideration.

June 7, 2018: US and ZTE <u>agree to deal</u> that will allow ZTE to resume business.

June 4-5, 2018: Two days of trade talks between US and China held in Beijing.

May 29, 2018: US reinstates tariff plans after brief truce.

May 20, 2018: US and China agree to <u>put the trade war on hold</u> after China reportedly agrees to buy more US goods.

May 18, 2018: China's Commerce Ministry announces that it will stop tariffs on US sorghum at negotiations.

May 13, 2018: Trump promises to help ZTE in a tweet.

May 3-7, 2018: US-China engage in trade talks in Beijing, where the US demands that China reduce the trade gap by US\$200 billion within two years. Talks end with no resolution.

April 17, 2018: China announces antidumping duties of 178.6 percent on imports of sorghum from the US.

April 16, 2018: US Department of Commerce concludes that Chinese telecom company ZTE violated US sanctions. US companies are banned from doing business with ZTE for seven years.

April 4, 2018: China reacts to USTR's initial list, and proposes 25 percent tariffs to be applied on 106 products (worth US\$50 billion) on goods such as soybeans, automobile, chemicals (list revised on June 16).

April 3, 2018: The USTR releases an initial list of 1,334 proposed products (worth US\$50 billion) subject to a potential 25 percent tariff (list revised June 15).

April 2, 2018: China <u>imposes tariffs</u> (ranging 15–25 percent) on 128 products (worth US\$3 billion) including fruit, wine, seamless steel pipes, pork and recycled aluminium in retaliation to the US' steel and aluminium tariffs.

March 23, 2018: US imposes a 25 percent tariff on all steel imports (except from Argentina, Australia, Brazil, and South Korea) and a 10 percent tariff on all aluminium imports (except from Argentina and Australia).

March 22, 2018: Trump signs a memorandum directing the following acts:

- To file a WTO case against China for their discriminatory licensing practices;
- To restrict investment in key technology sectors; and
- To impose tariffs on Chinese products (such as aerospace, information communication technology and machinery).

February 7, 2018: The US implements 'global safeguard tariffs' – placing a 30 percent tariff on all solar panel imports, except for those from Canada, (worth US\$8.5 billion) and a 20 percent tariff on washing machine imports (worth US\$1.8 billion).

November 8–10, 2017: <u>Trump pays a "state visit plus" to China</u>, where relations were considered to have warmed.

August 18, 2017: The USTR initiates an investigation into certain acts, policies and practices of the Chinese government relating to technology transfer, intellectual property and innovation.

May 22, 2017: US and China <u>agree to a trade deal</u> that would give US firms greater access to China's agriculture, energy, and financial markets, while China gains access to sell cooked poultry to the US.

April 28, 2017: The USTR is authorized to investigate whether steel/aluminium imports pose a threat to national security.

April 6-7, 2016: Xi visits Trump's Mar-a-Lago estate in Florida, where they agree to set up a 100 Day Action Plan to resolve trade differences.

May 2, 2017: While campaigning for the Republican Party's presidential nomination, Trump says "We can't continue to allow China to rape our country and that's what they're doing. It's the greatest theft in the history of the world." The statement is one of many that Trump makes on the campaign trail about China's trade practices.

September 21, 2011: Before running for president, Trump tweets "China is neither an ally or a friend — they want to beat us and own our country." The tweet is among several statements he makes criticizing China's trade practices before running for president.

This article was originally published on August 31, 2018, and has been updated to include the latest developments.

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