

Pesticides, Household Disinfectants, and Other Chemical Substances Made in China May Be Subject to 10 Percent Tariffs

July 12, 2018

On July 10, 2018, the United States Trade Representative (USTR) issued a list of Chinese products that will potentially be subjected to import tariffs of 10%, including a wide variety of finished pesticide, insecticide, fungicide, rodenticide, and herbicide products. The full list of products, which is organized by Harmonized Tariff Schedule Code, also includes a large number of raw organic and inorganic technical chemicals, including chemicals that may be used in formulation operations for pesticides and similar products.

Examples of covered tariff provisions/products include:

- **30.30**, covering organic chemicals that function as pesticides, of aromatic ethers and their halogenated, sulfonated, nitrated, or nitrosated derivatives;
- **90.29**, covering organo-sulfur compounds, including those used as herbicides;
- **91.30**, covering certain retail-packaged insecticides containing an inorganic substance;
- **92.98**, covering certain fungicides containing a thioamide, thiocarbamate, dithiocarbamate, thiuram or isothiocyanate;
- **93.05**, covering retail packed herbicides, antisprouting products and plant-growth regulators that rely on aromatic or modified aromatic chemicals; and
- **99.08**, covering certain rodenticides containing any aromatic or modified aromatic pesticide.

Authors

Tracy Heinzman
Partner
202.719.7106
theinzman@wiley.law
Alan H. Price
Partner
202.719.3375
aprice@wiley.law
Maureen E. Thorson
Partner
202.719.7272
mthorson@wiley.law

Practice Areas

Environment & Product Regulation
International Trade

The tariff classification of pure chemicals, formulated pesticides, and related products depends on their specific chemical attributes, including the molecular structure of the active ingredients. Accordingly, companies that import chemical and related products from China should carefully review the full list of products against their import classifications to evaluate their potential exposure to the proposed tariffs.

USTR's issuance of the new list follows the release of two prior lists of Chinese products on June 15, 2018. The first of these lists covers 818 tariff lines with a trade value of \$34 billion, which were subjected to 25% duties as of July 6. Chemical and chemical products were absent from this list, other than for certain uranium. The second of the June 15 lists includes 284 tariff lines with a trade value of \$16 billion. The products on this list may also be subject to 25% duties after a public comment and hearing period, which is currently underway. This list is also largely free of chemicals and chemical products, other than certain lubricating greases and additives.

USTR has announced a public comment and hearing period for the recently issued third list of products. Requests to testify at the Section 301 Committee's public hearing are due July 27; written comments are due August 17; and a public hearing will be held from August 20-23. Post-hearing rebuttal comments must be submitted by August 30.

As background, President Trump directed USTR to issue this most recent \$200 billion list due to China's retaliation on the first two lists. The day after USTR issued the first two product lists, the Government of China responded with a statement that it would impose equivalent tariffs on U.S. imports. On June 16, 2018, the Government of China announced in State Council Customs Tariff Commission 2018 Public Notice No. 5 that it would impose a 25% tariff on U.S. goods with a value of \$50 billion, also split into two lists. The first list contains 545 tariff subheadings, with duties effective July 6. China's second list contains 114 tariff subheadings, with duties to be effective on a later date.

Wiley Rein is well placed to provide counsel and direction should your company choose to prepare comments for submission, as well as to engage the Administration and assist companies affected by the U.S. actions and Chinese retaliation.