



Tariffs on China are Coming—Restrictions on Chinese Investment in the United States May Be Next

On March 22, 2018, President Trump signed a Presidential Memorandum, representing the first step in imposing 25 percent duties on aerospace, information and communication technology, robotics, and machinery products from China. This move follows completion of an investigation initiated by the U.S. Trade Representative ("USTR") last August under Section 301 of the Trade Act of 1974 into whether acts, policies, and practices of the Government of China related to technology transfer, intellectual property, and innovation are unreasonable or discriminatory and burden or restrict U.S. commerce.

On April 3, 2018, the USTR published a proposed [list](#) of products (covering approximately 1,300 separate tariff lines) subject to additional tariffs, which includes products in the aerospace, information and communication technology, robotics, and machinery industries. The USTR will publish the list in the *Federal Register*, seeking public comments. Comments are due May 11, 2018. A public hearing will be held on May 15, 2018. The USTR, with the assistance of an interagency committee, will then review and analyze the comments. When the process is completed, the USTR will announce the final determination on the tariff action.

In addition to potential additional tariffs on China, the Presidential Memorandum directs the Secretary of the Treasury, in consultation with other senior executive branch officials, to propose action to address concerns about investment in the United States directed or facilitated by China in industries or technologies deemed important to the United States. The Presidential Memorandum requires the Secretary of the Treasury to report progress on any such action within 60 days (i.e., May 21, 2018).

We will continue to monitor developments associated with these potential tariffs and investment restrictions.

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