

TRUMP'S NEW TARIFF ON CHINA: ECONOMIC IMPLICATIONS

Before this new 10% tariff increase, tariffs on Chinese imports varied depending on the product category. Under the Phase One trade deal negotiated by Trump in 2020, the U.S. maintained:

25%

tariffs on about \$250 billion worth of Chinese goods, including machinery, semiconductors, and electronics.

7.5%

tariffs on around \$120 billion of other imports, including footwear, clothing, and some electronics.

OUTCOMES



SUPPLY CHAIN ADJUSTMENTS

Possibly through Vietnam, Singapore, India.



CHINA'S EXISTING RETALIATION

Tariffs on U.S. exports such as coal and LNG.



MARKET VOLATILITY

Global trade & currencies may be impacted.



EXEMPLAR OUTCOME FOR 2025

CLOTHING IMPORT FROM CHINA

Calvin Klein and Tommy Hilfiger (both owned by PVH Corp.) manufacture significant portions of their products in China.

BEFORE

A retail store currently imports T-shirts subject to a 7.5% tariff.

Cost Before Tariff = \$5 per T-shirt

Tariff (7.5%) = +\$0.38

Final Cost = \$5.38

AFTER

With an additional 10% tariff, the total tariff increases to 17.5%.

Tariff (17.5%) = +\$0.88

Final Cost = \$5.88

(\$0.50 increase per T-shirt)

IMPORTING AUTOMOTIVES FROM CHINA

Tesla (Model 3), Volvo (owned by China's Geely), and GM (Buick Envision), import vehicles or components from China.

BEFORE

Car Cost (before tariff) = \$40.000

Tariff (25%) = + \$10.000

Final Cost (25%) = \$50.000

AFTER

Car Cost (before tariff) = \$40.000

Tariff (35%) = + \$14.000

Final Cost (25%) = \$54.000

(\$4.000 increase per car)