

# Trade war timeline

● = US against China

● = China against US

Increase in import tariffs from US against China and vice versa (in billions of US dollars)

Trump levies import tariffs on steel (25%) and aluminium (10%)

2.9\*

China reacts by tariffs on aluminium, meat, fruit and wine from the US

2.4\*

The US implements tariffs on USD 50bn of Chinese export goods (mainly electro-technical goods), in two tranches of USD 34bn and 16bn

34  
25%

16  
\*

200  
10%

The US ups the ante on 24 September, by raising tariffs on USD 200bn of Chinese export goods (e.g. electrotechnical products, rice, textiles)

200

25%

264

?

In January: US implements import tariffs on washing machines and solar panels for all countries

34  
25%

16  
\*

60  
5-10%

60  
25%

50  
? (NTB)

2018

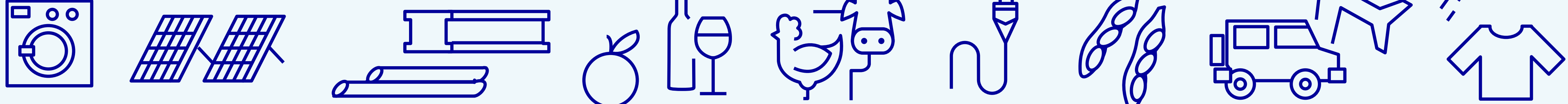
China retaliates by imposing import tariffs on e.g. soybeans, SUVs and airplane (parts) from the US

2019

DEC JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC JAN

\* 10%-25%  
\* 15%-25%

\* 25%  
\* 25%



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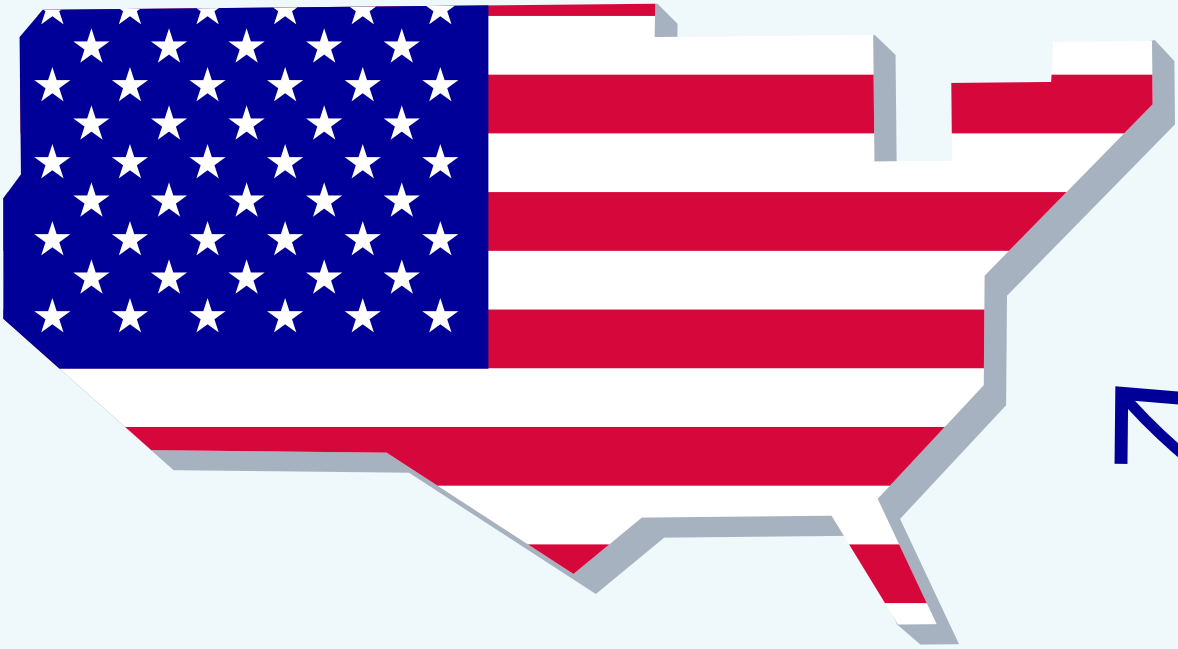
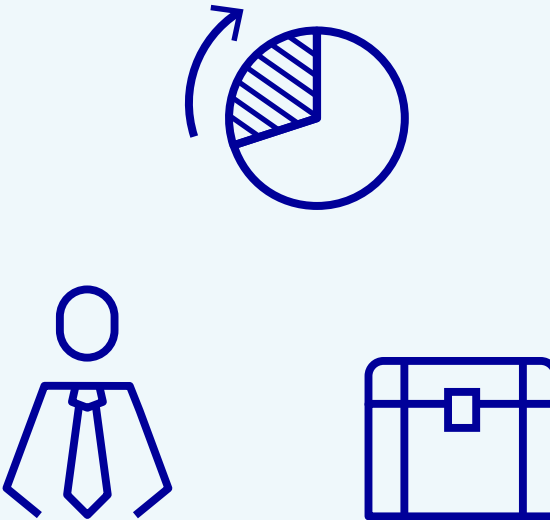
# How does protectionism work?

Countries can target each other by raising import tariffs.  
What happens in such a situation?

The United States raises import tariffs on Chinese exports

## Effect in the US

Larger market share for firms operating on US soil and more jobs. Higher government revenues



## What are China's options

### Option 1

Passthrough of higher costs in sales prices

### Option 2

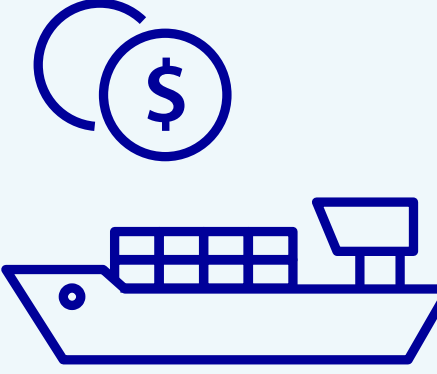
Bear the burden of higher costs

### Option 3

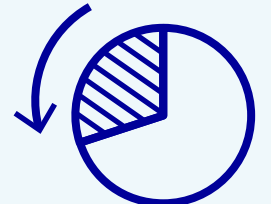
China retaliates by raising import tariffs on US exports

## Effect in China

Chinese exporters face higher costs

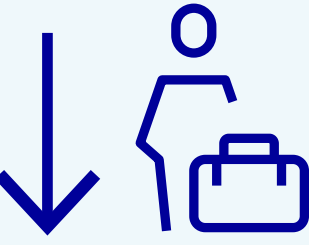


### Effect Option 1



Market share of Chinese exporters in the US declines due to a deteriorating competitive position. American consumers have to pay a higher price

### Effect Option 2



Lower profitability leads to lower growth of private investment, shareholder returns and employment



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