



***United States Special Protection in
Historical Perspective: 1974–2019***

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(as of) 31 December 2019



Outline

“Now”

- 10 things to know about Trump’s tariffs

“Then”

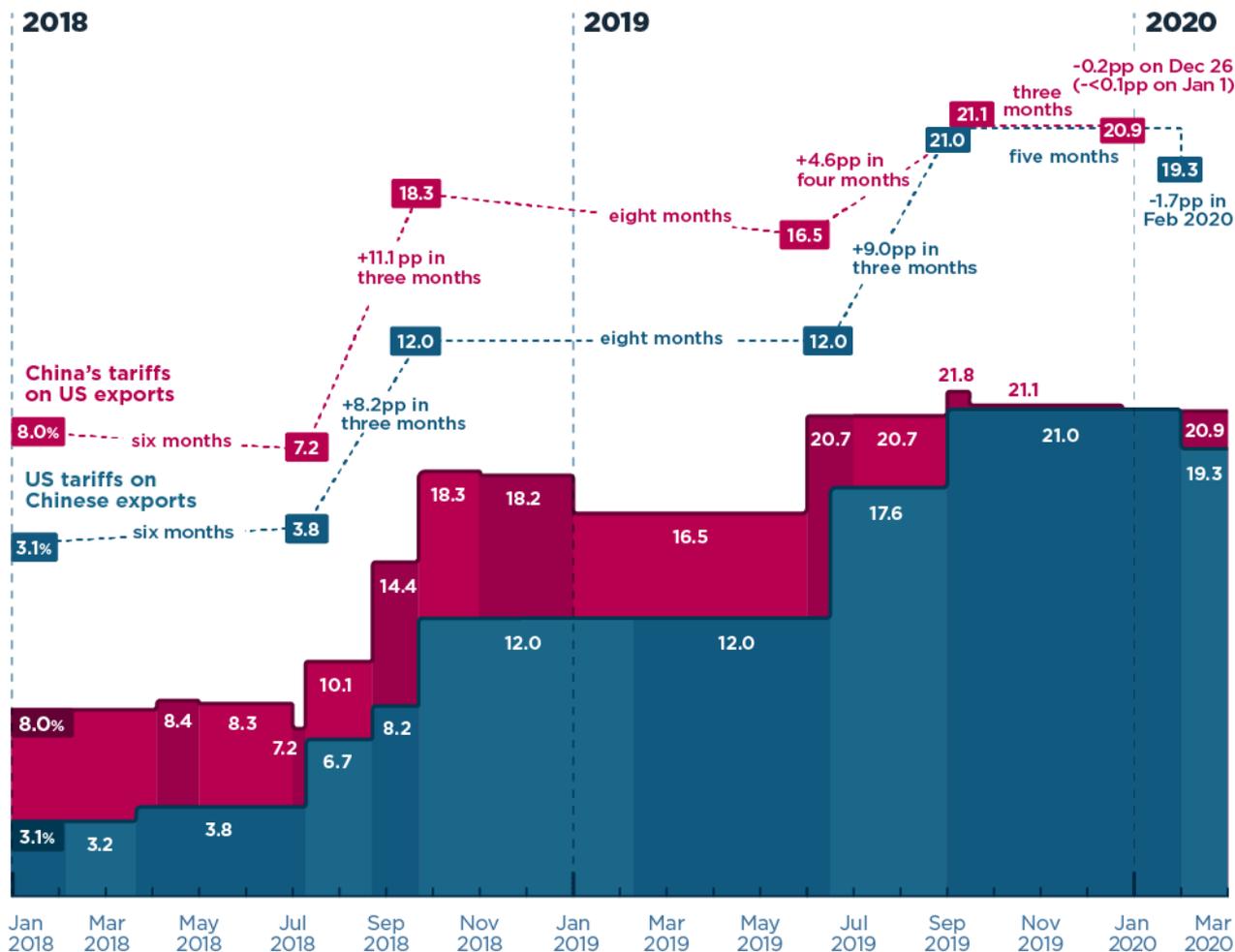
- 10 things about US special protection *before* Trump that you knew but probably forgot

Note: almost NONE of these policies are captured in US tariff data and statistics

1. US and Chinese average tariffs toward each other have gone up considerably



Average tariff rate, percent



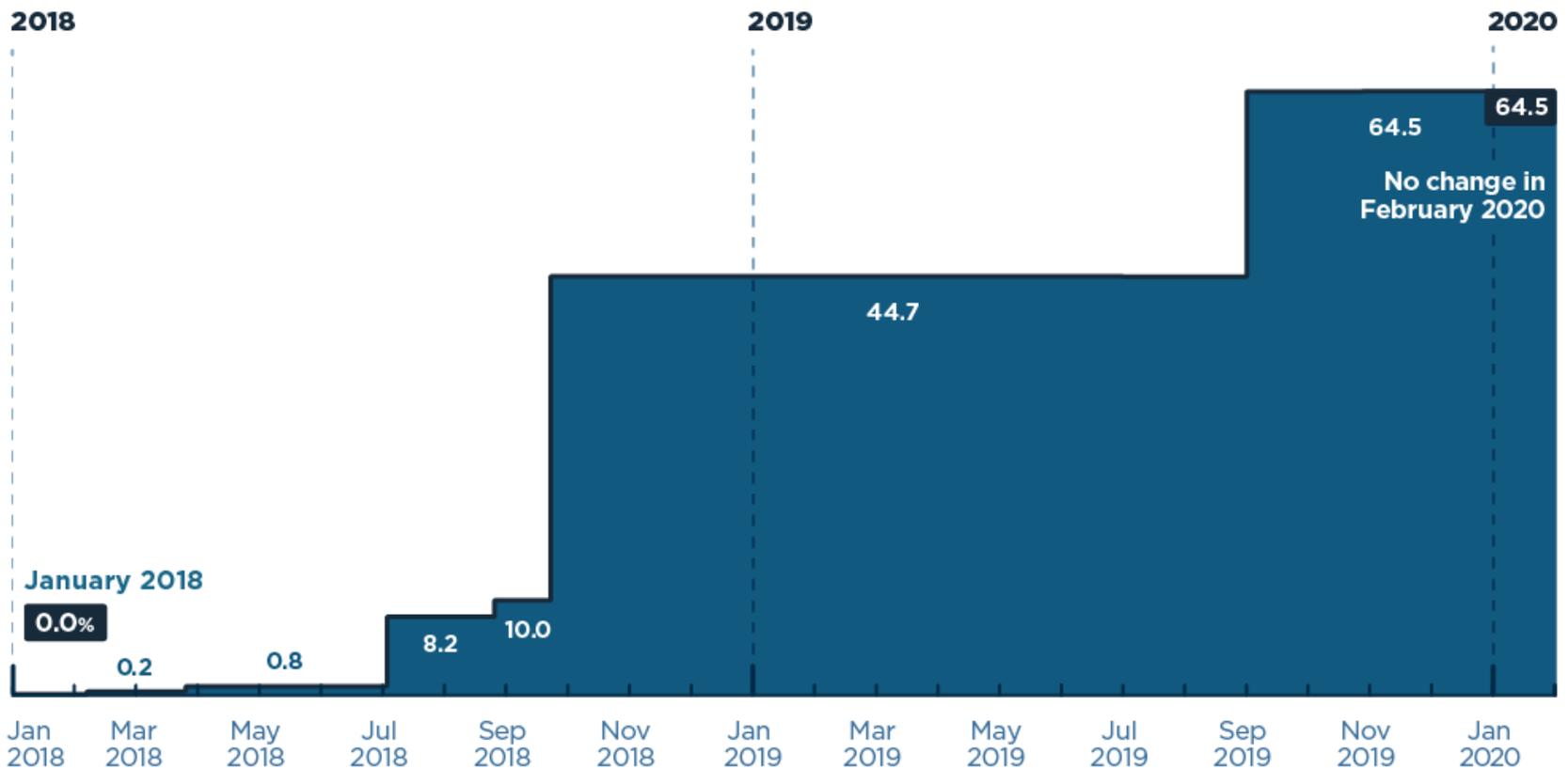
Source: Chad P. Bown, US-China Trade War Tariffs: An Up-to-Date Chart, PIIE Chart, December 20, 2019.

<https://www.piie.com/research/piie-charts/us-china-trade-war-tariffs-date-chart>



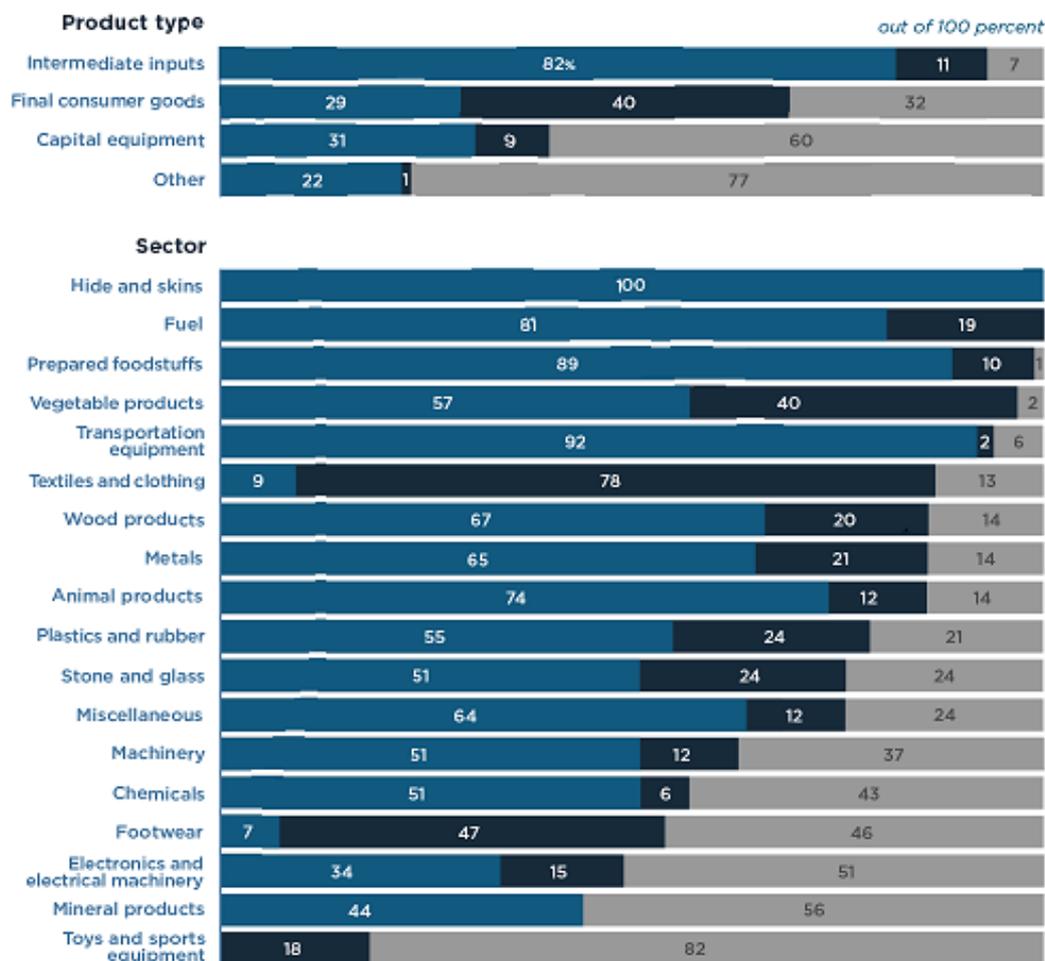
2. Phase one deal leaves Trump's tariffs covering almost two thirds of all US imports from China

Percent of US imports from China covered by President Trump's tariffs



Source: Chad P. Bown, **Phase One China Deal: Steep Tariffs Are the New Normal**. PIIE Trade and Investment Policy Watch Blog, December 19, 2019.

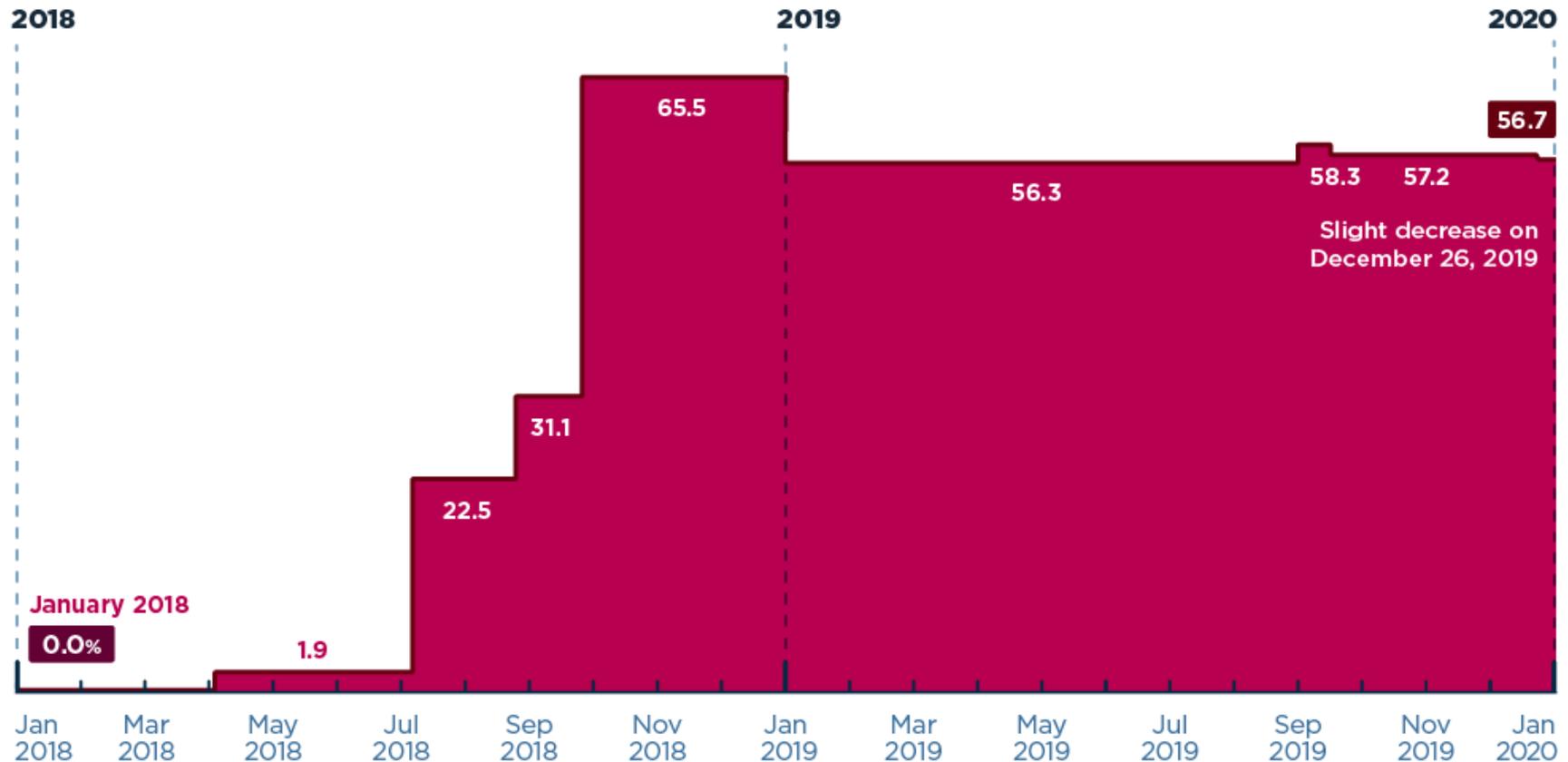
3. Trump's tariffs have tended to target intermediate inputs and stay away from consumer products



4. Over half of US exports to China would still be subject to retaliatory tariffs



Percent of China's imports from United States covered by retaliatory tariffs



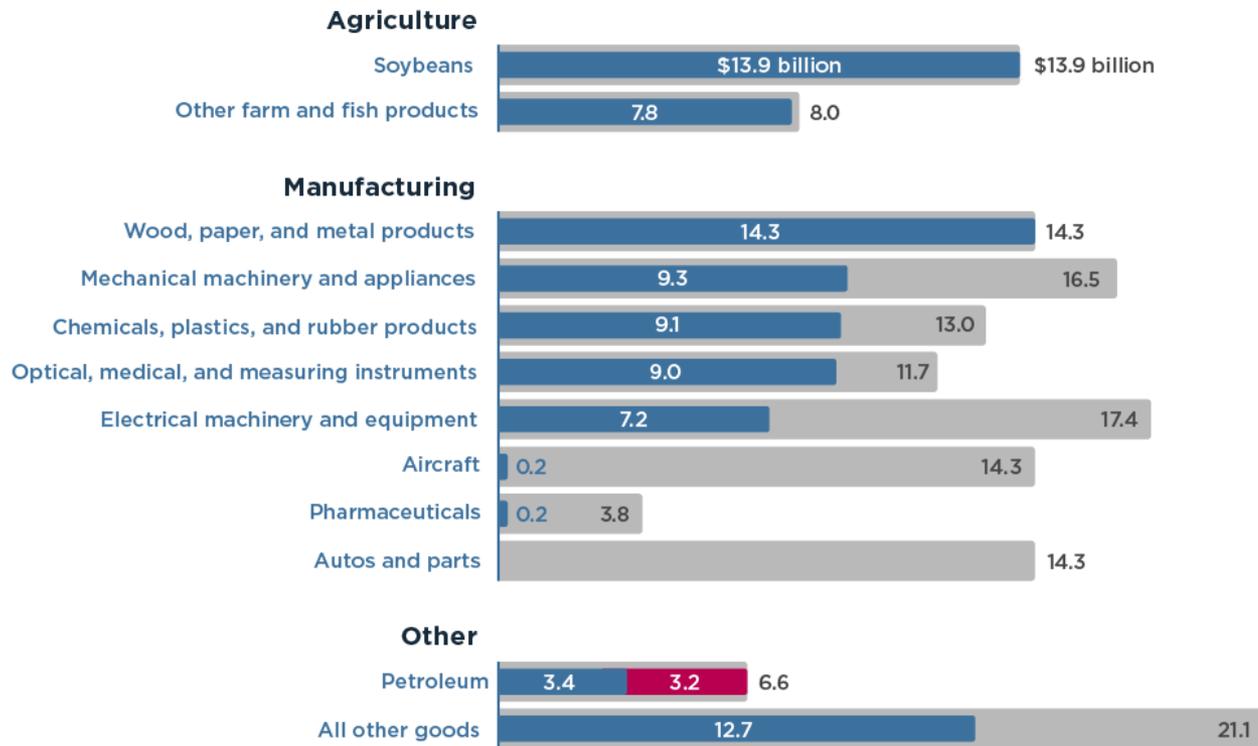
Source: Chad P. Bown, **Phase One China Deal: Steep Tariffs Are the New Normal**. PIIE Trade and Investment Policy Watch Blog, December 19, 2019.

5. China's retaliatory tariffs hit US agriculture (e.g., soybeans) and stayed away from aircraft and semiconductors



US exports to China covered by Chinese retaliatory tariffs

■ As of June 1, 2019 ■ Effective September 1, 2019 ■ Total US exports to China

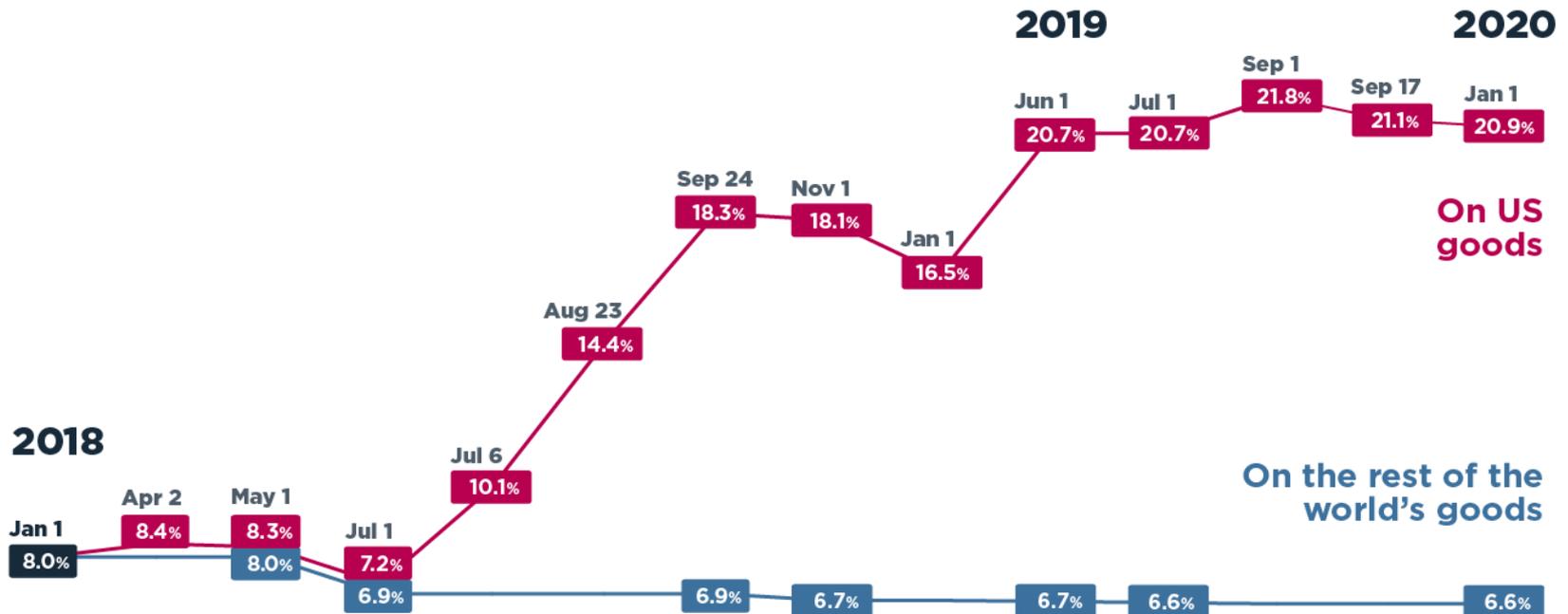


Source: updated from Chad P. Bown, **US-China Trade War: The Guns of August**. PIIE Trade and Investment Policy Watch Blog, August 26.

6. China has been lowering its tariffs toward the rest of the world throughout the trade war

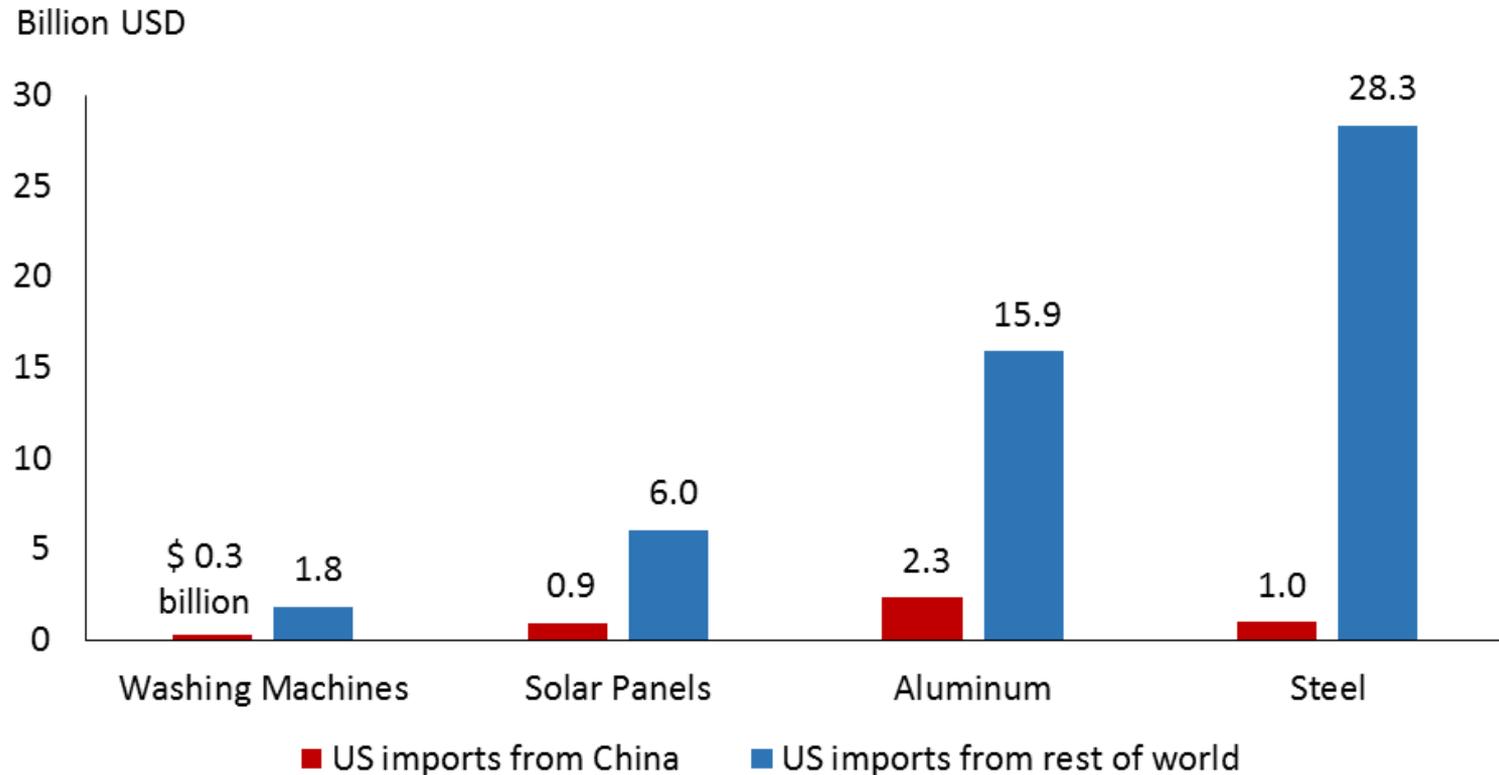


China's average tariff rate



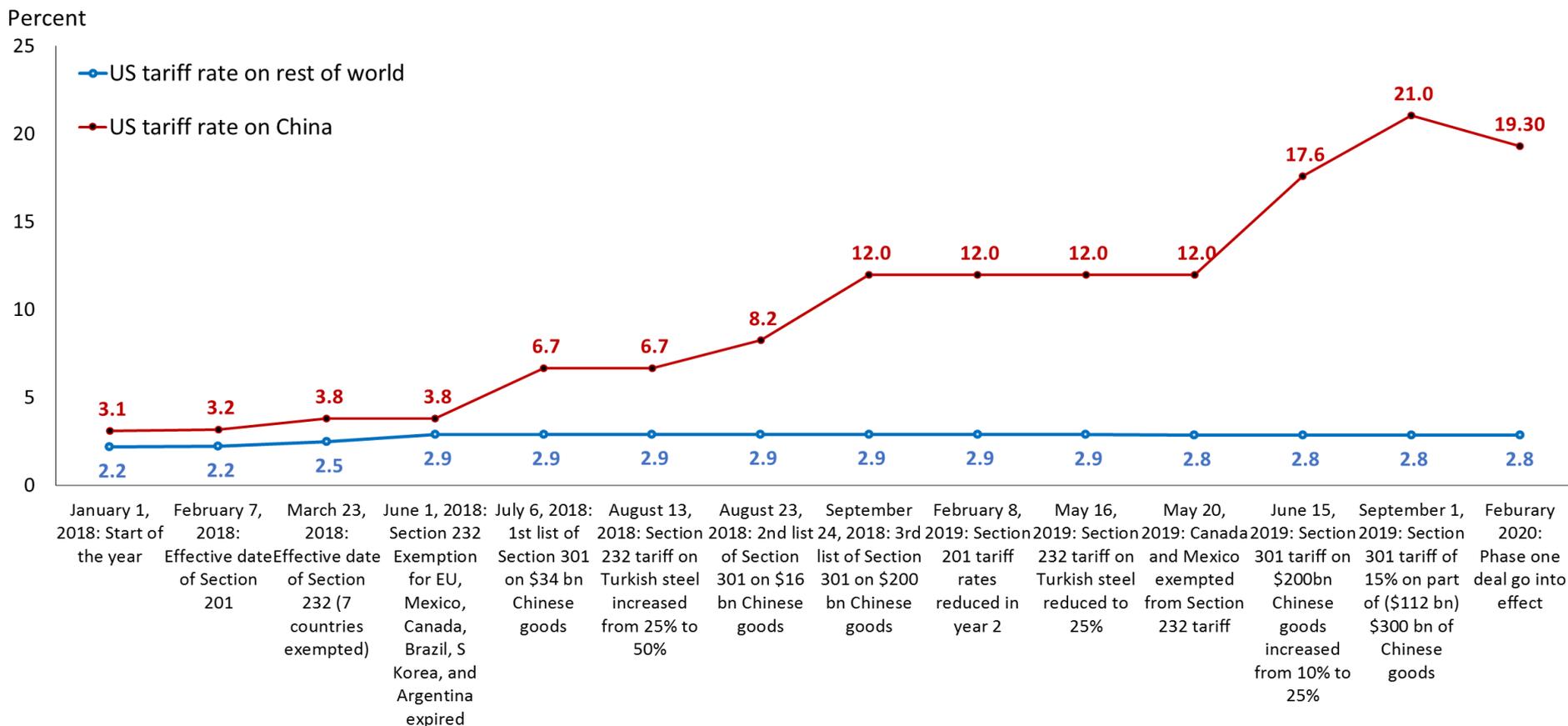
Source: Trade weighted by US exports to world in 2017. Constructed by the author with data from Trade Map and Market Access Map (International Trade Center, marketanalysis.intracen.org) and China's Ministry of Finance's announcements.

7. Trump's tariffs on steel, aluminum, washing machines, and solar panels mostly hit non-China



Source: Constructed by the author with data from Dataweb and USTR announcements.

8. Trump has been increasing tariffs on the rest of the world as well, but only slightly

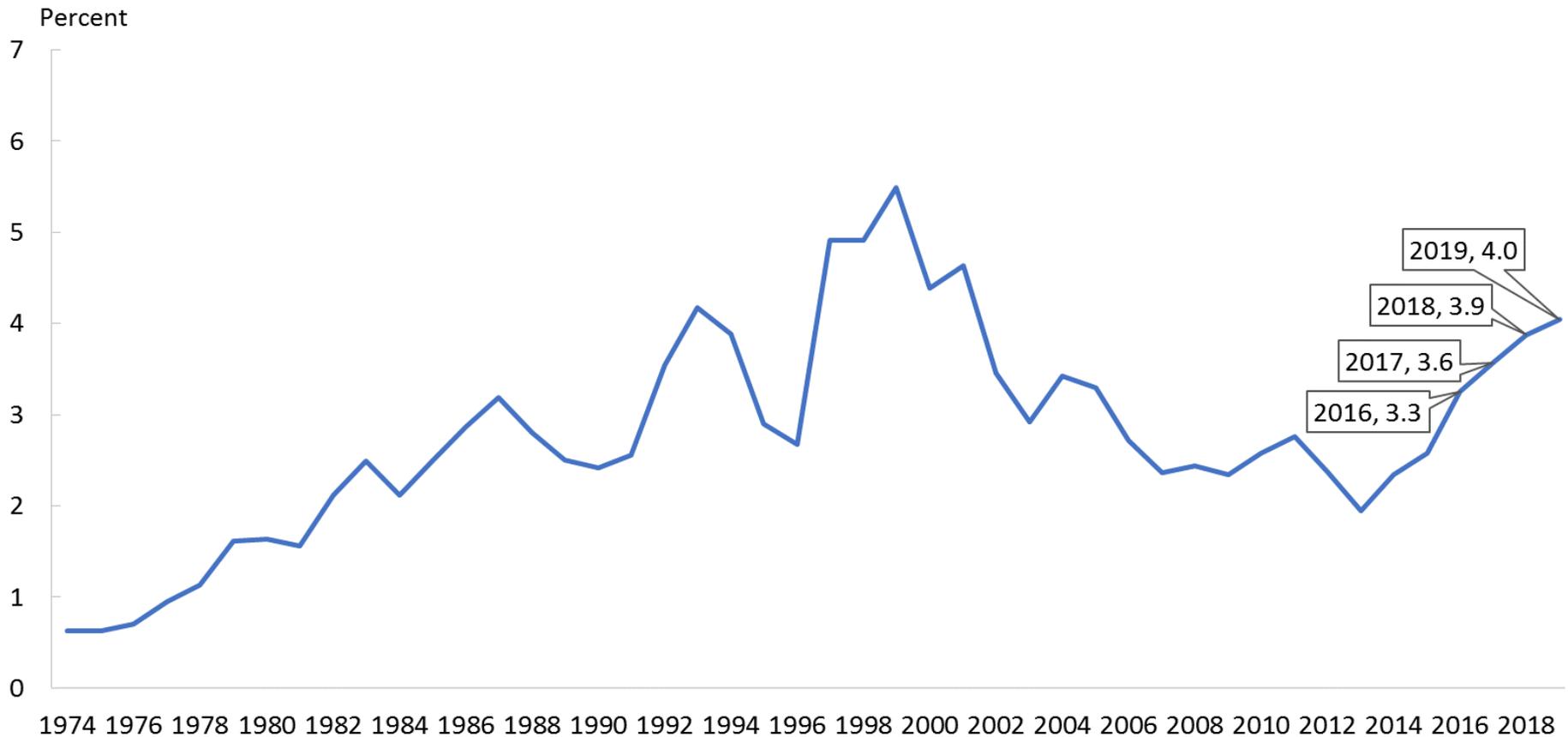


Source: Trade weighted by US trading partner's exports to the world in 2017. Constructed by the author with data from WITS and UNCTAD TRAINS.

9. The Trump administration prides itself on ramping up antidumping and countervailing duty protection...



Share of total US imports covered by AD/CVD, 1974-2019

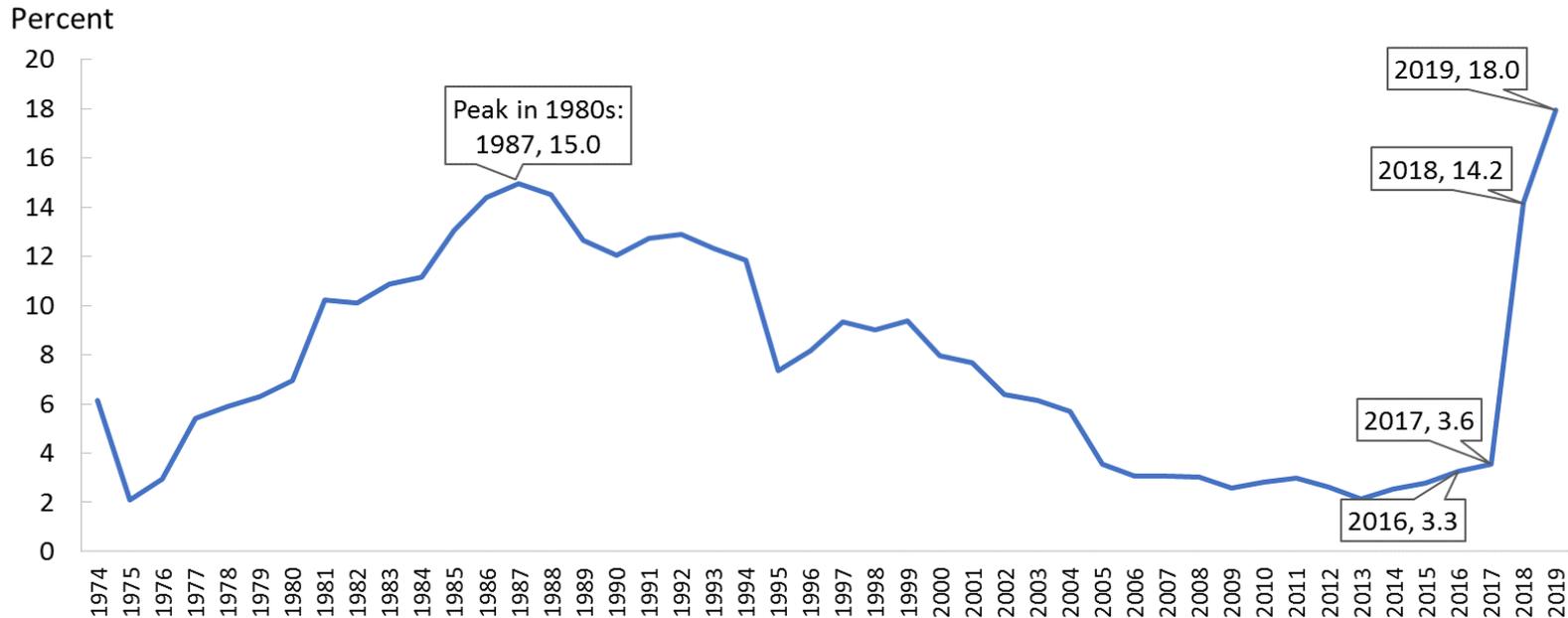


Source: Constructed by the author.

10. Trump's special protection covers a larger share of US imports than that imposed at any point since at least 1974



Share of total US imports covered by special protection, 1974-2019



Source: constructed by the author.

Note: "Special protection" includes antidumping, countervailing duties, and protection imposed under Section 201 (safeguards), Section 421 (China safeguards), Section 232 (national security), Section 301 (unfair trade), OTEXA safeguards, MFA, Agreement on Textiles and Clothing, or other voluntary export restraints



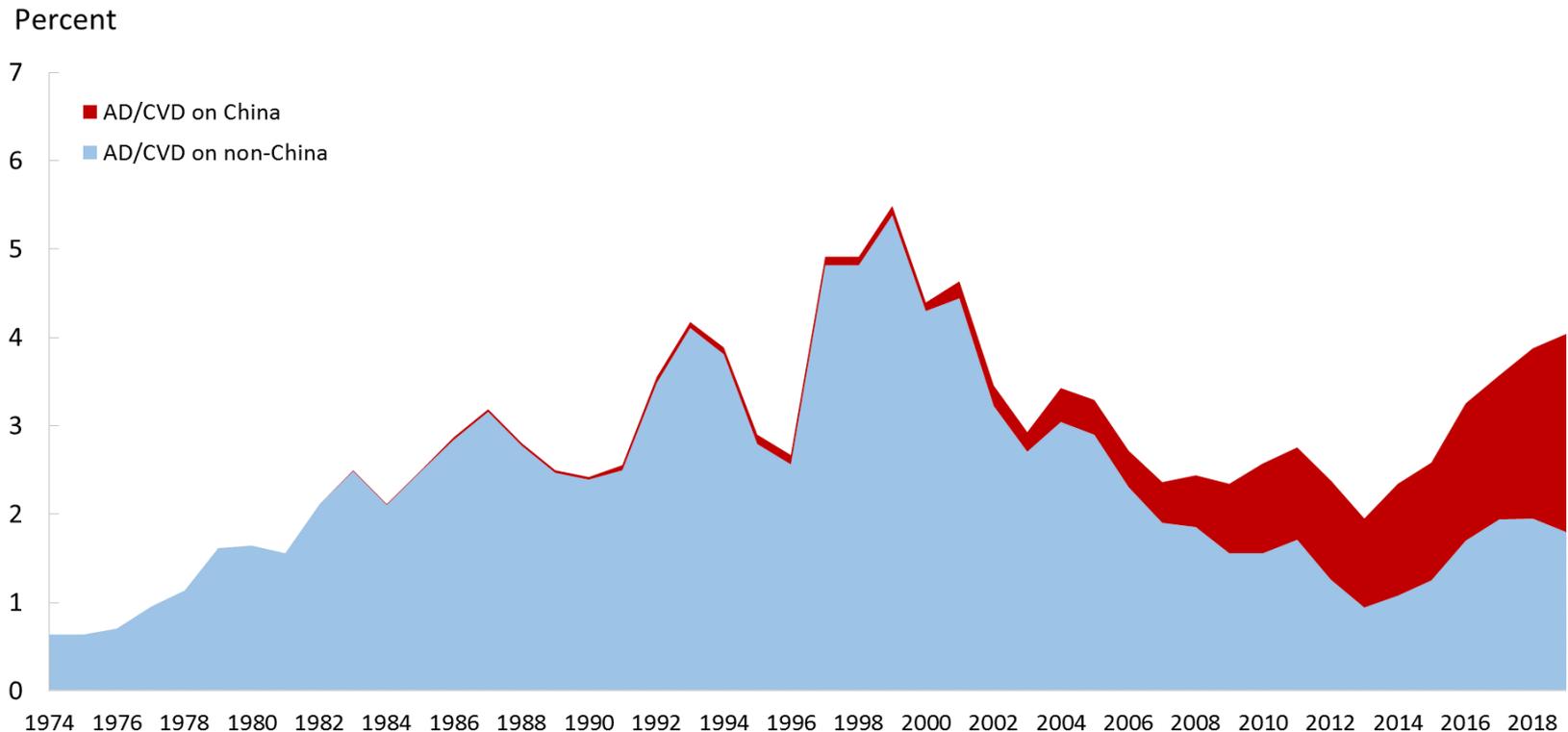
“Then”

- **10 things** about US special protection *before* Trump that you knew (but probably forgot because of Trump’s protection)

1. Immediately before Trump, US special protection arose through antidumping and CVDs. It had increasingly focused on China



Share of US imports covered by AD and CVDs over 1974-2019, by China and non-China



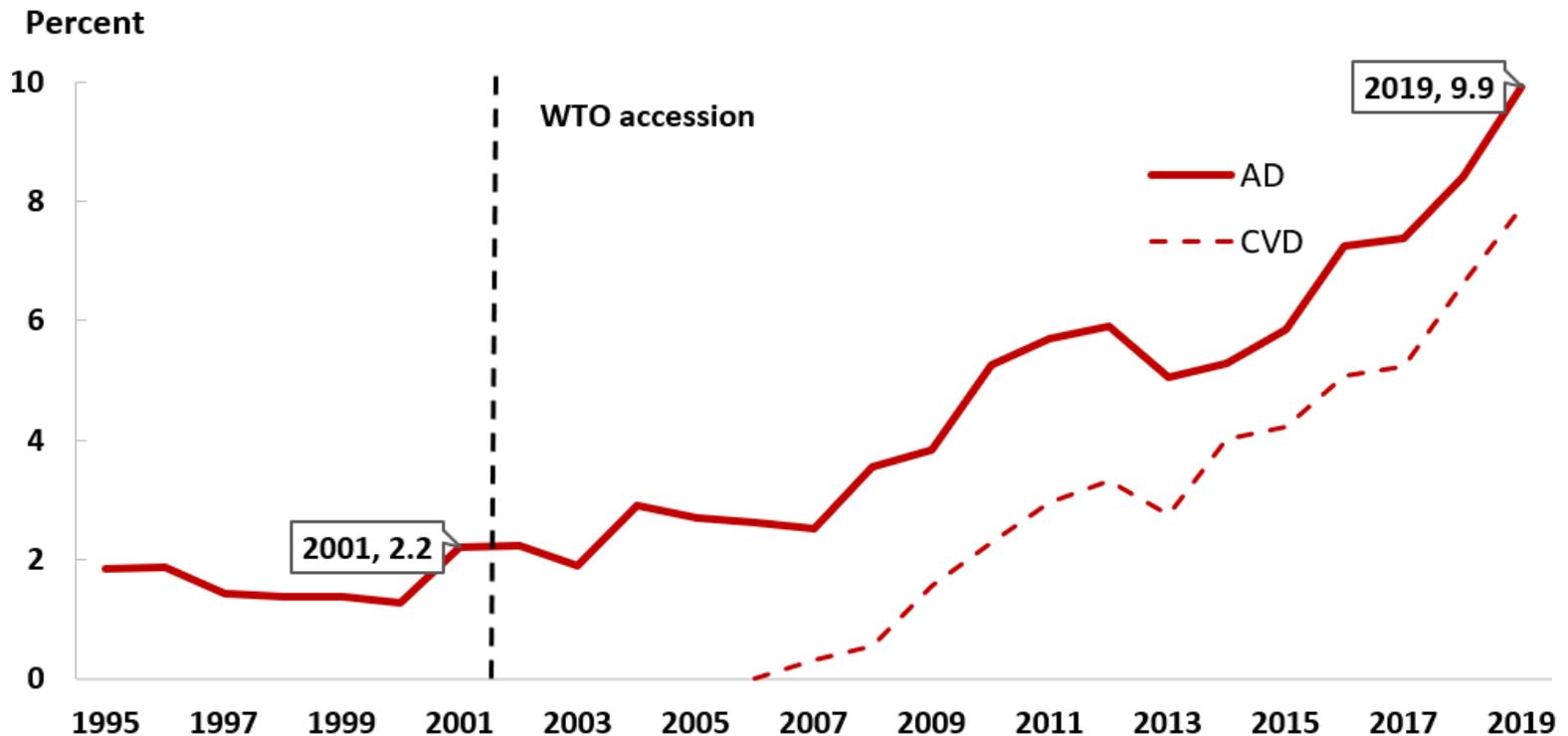
Source: constructed by the author.

Note: "Special protection" includes antidumping, countervailing duties, and protection imposed under Section 201 (safeguards), Section 421 (China safeguards), Section 232 (national security), Section 301 (unfair trade), OTEXA safeguards, MFA, Agreement on Textiles and Clothing, or other voluntary export restraints

2. Before Trump, the big worry was China's non-market economy status (antidumping) and whether its SOEs were "public bodies" (countervailing duties)



Share of US imports from China covered by AD and CVDs, 1995-2019

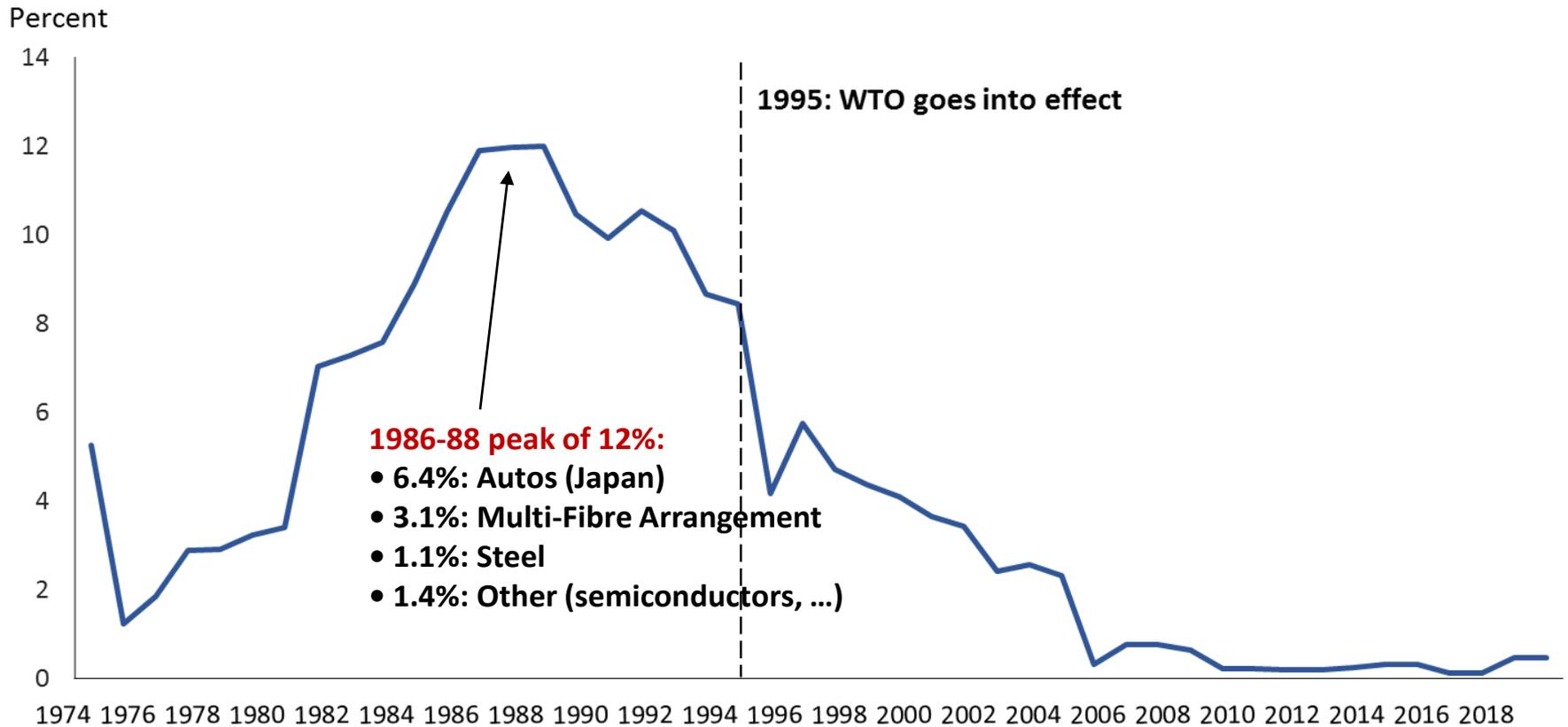


Source: constructed by the author.

3. *Voluntary Export Restraints rose and fell in the 1980s and 1990s. This was partly due to WTO reforms*



Share of US imports subject to US negotiated VERs, 1974-2019

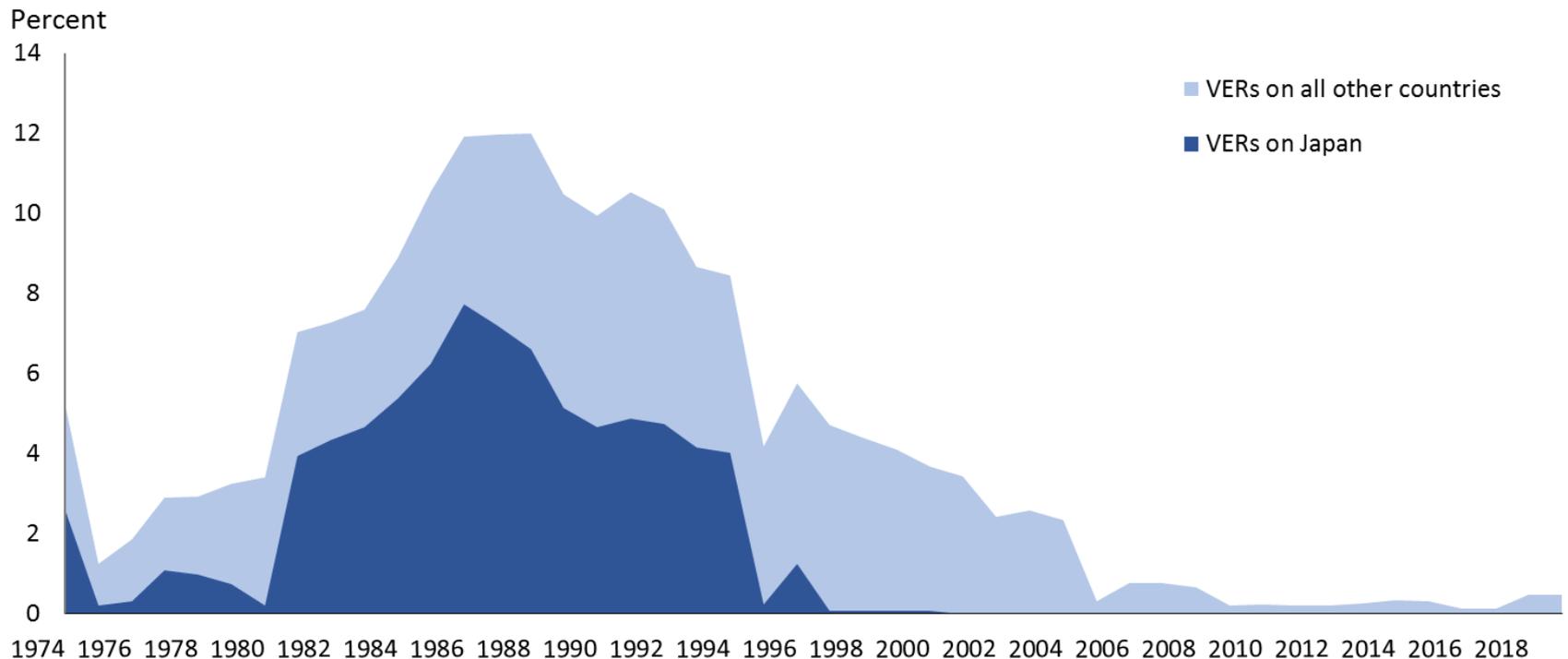


Source: constructed by the author.

4. The main target of US VERs in the 1980s was Japan in sectors like autos, steel, and semiconductors.



Share of US imports subject to US negotiated VERs, 1974-2019

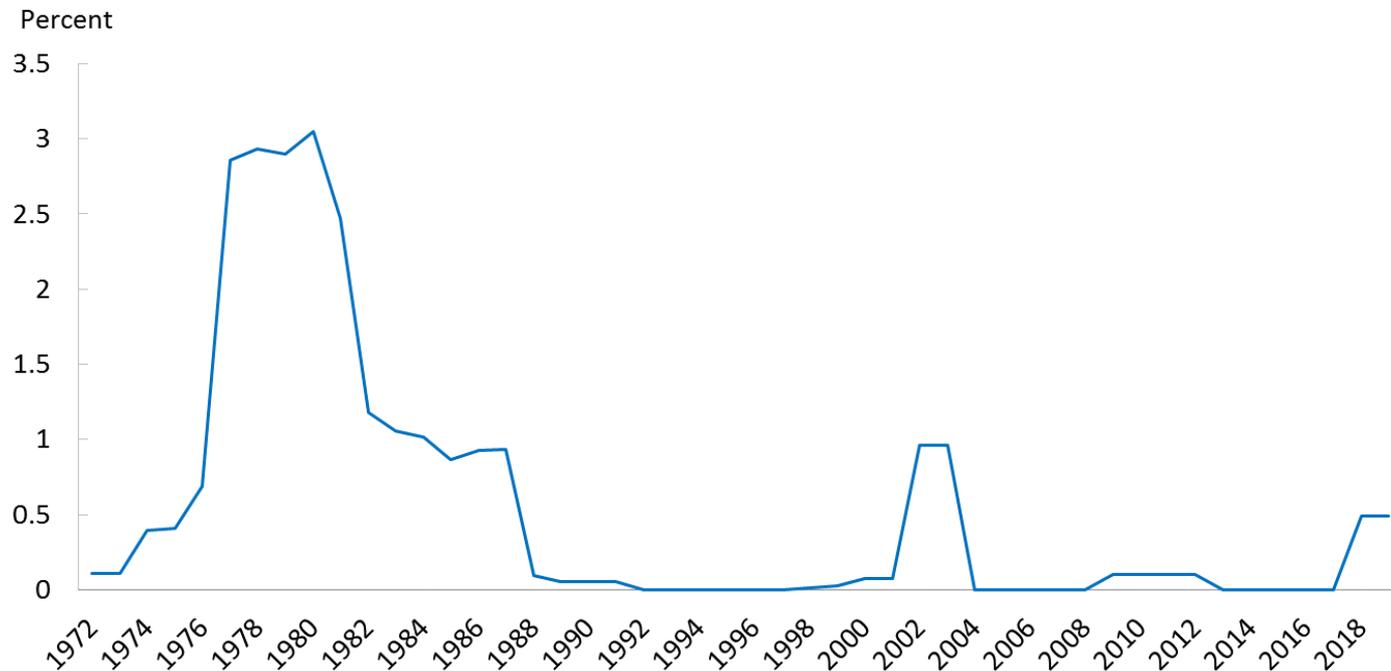


Source: constructed by the author.

5. The US used safeguards (Section 201) a bit over 1974-1994. But WTO reforms to encourage its use – over other policies – mostly failed.



Share of US imports covered by safeguard (Section 201) actions, 1974-2019

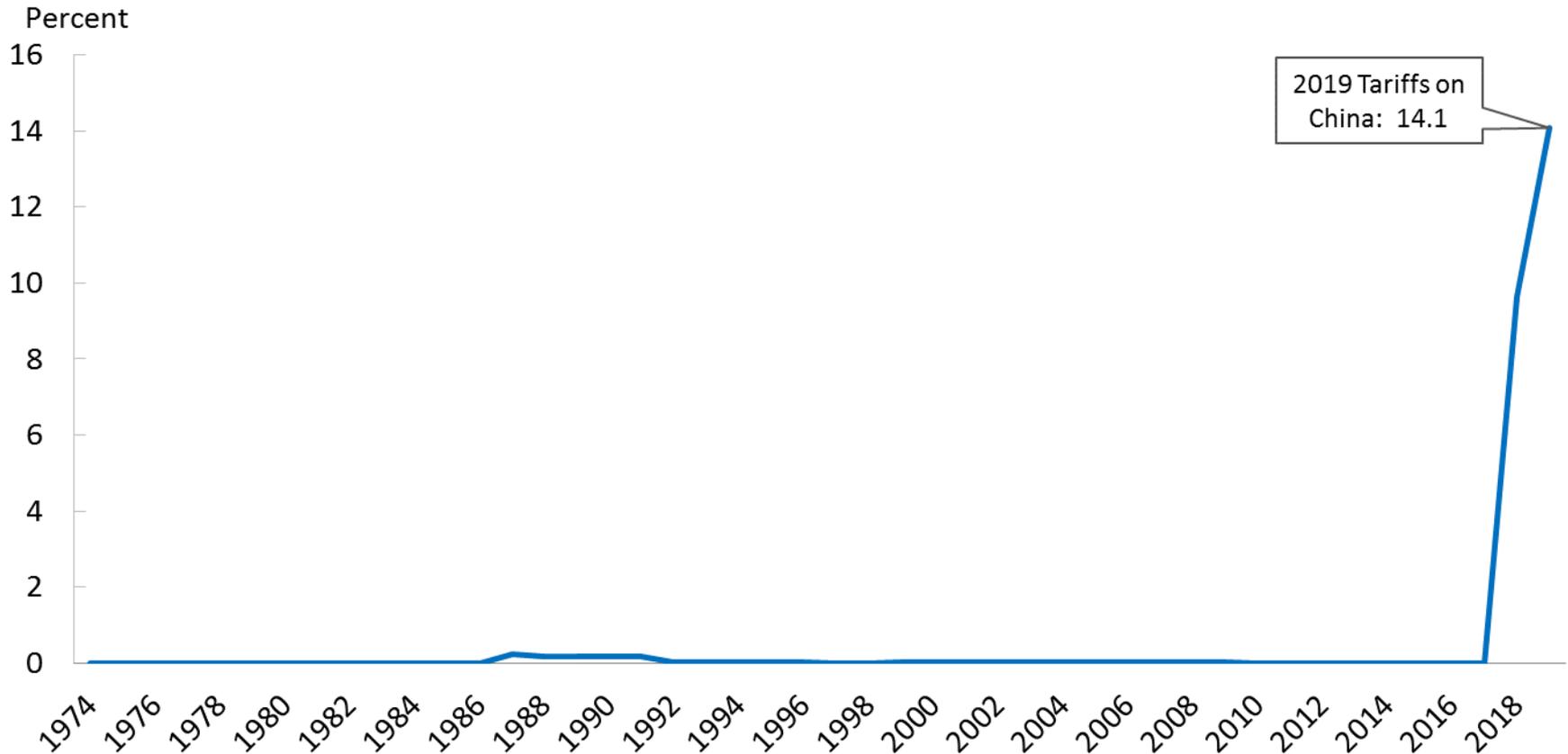


Source: constructed by the author.



6. Section 301 was used a lot in the 1980s. But not like this.

Share of US imports covered by Section 301 actions, 1974-2019

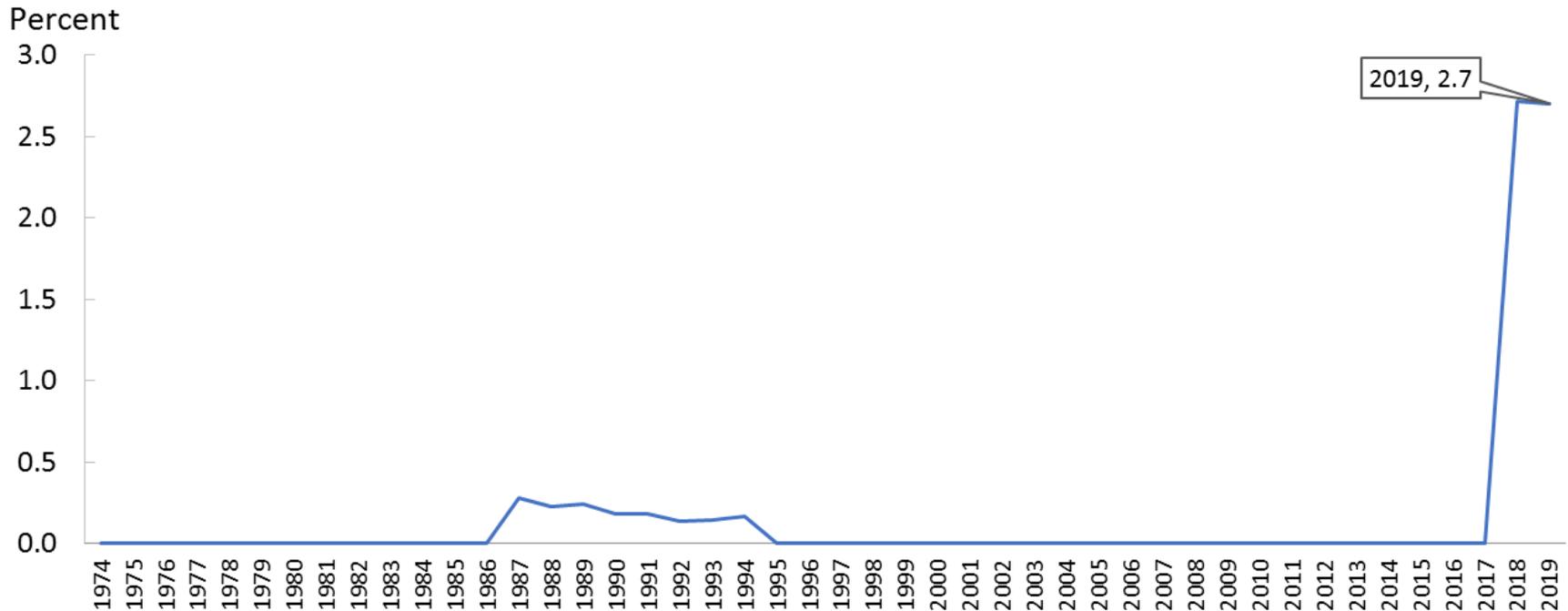


Source: constructed by the author.

7. National Security (Section 232) justifications for protection were almost never used over 1974-2017.



Share of US imports covered by Section 232 actions, 1974-2019

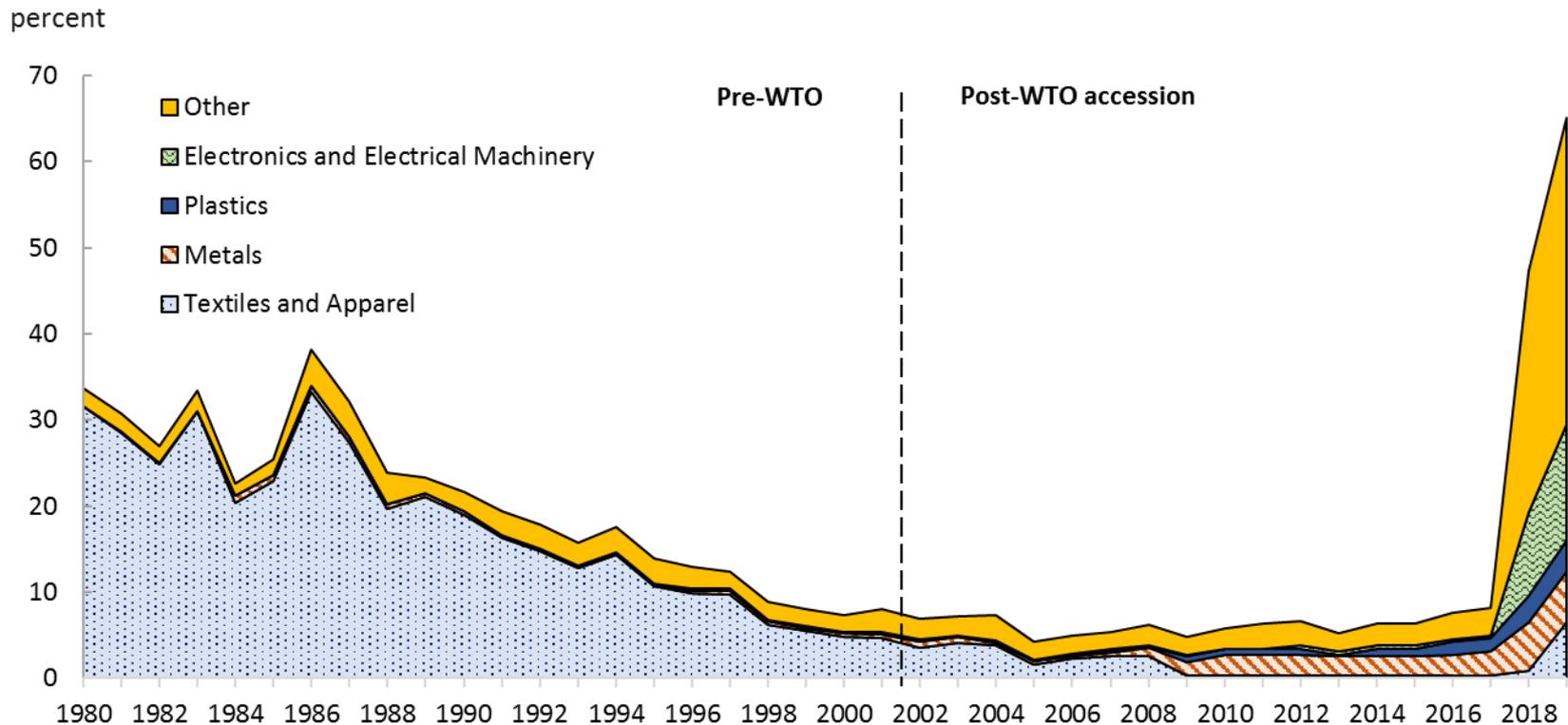


Source: constructed by the author.

8. US special protection has targeted China since it started receiving MFN tariffs in 1980. US protection has come in many different forms and hit many different sectors.



Share of US imports from China subject to special protection, 1980-2019



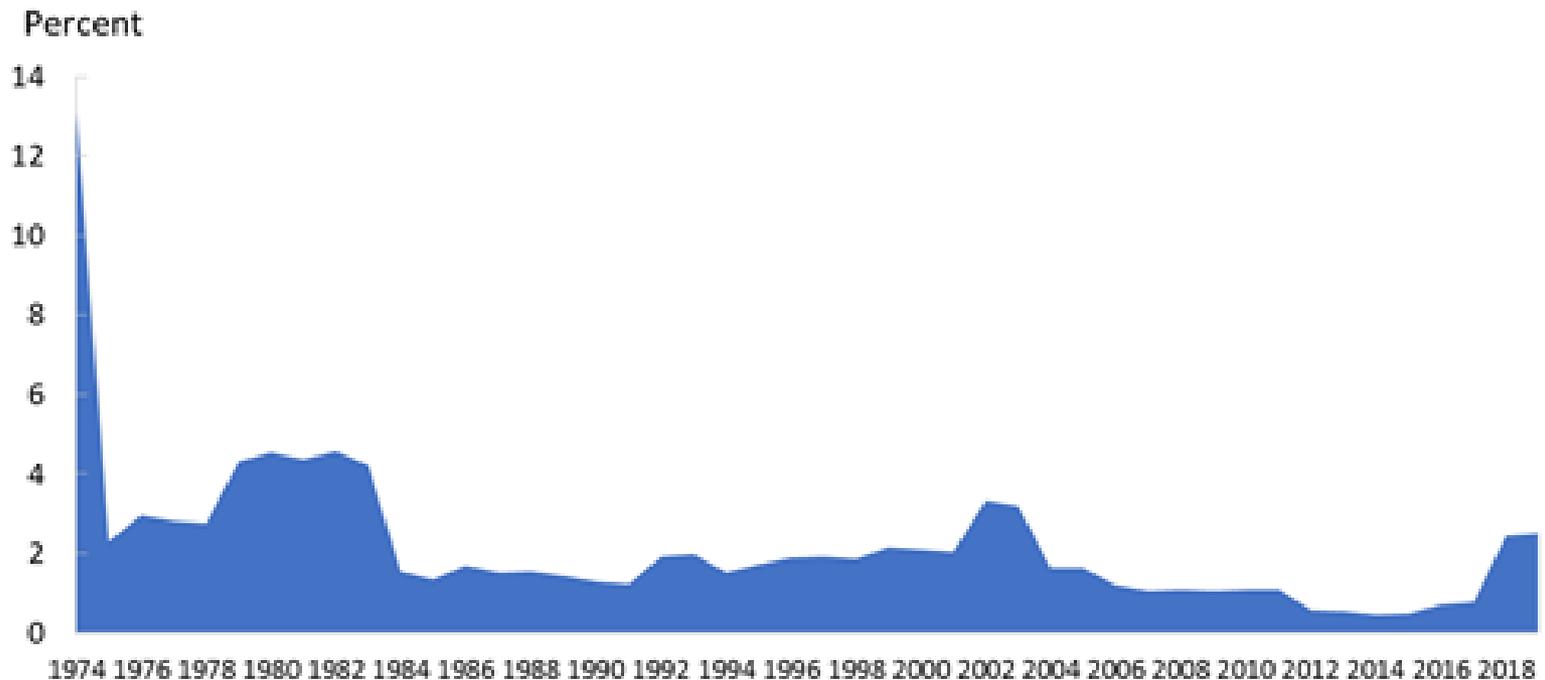
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9. *Could the European Union be next?*



Share of US imports from EEC/EU subject to special protection, 1974-2019

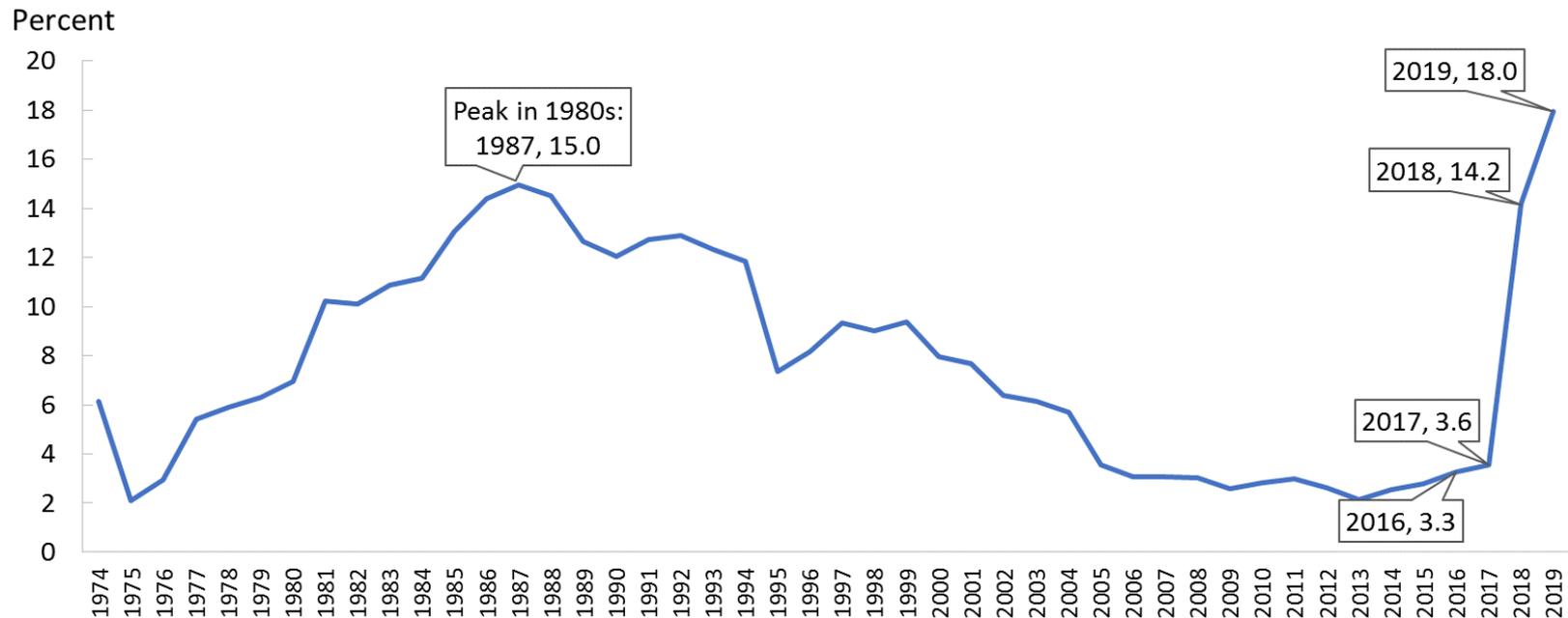


Source: constructed by the author.

10. Trump's special protection covers a larger share of US imports than that imposed at any point since at least 1974



Share of total US imports covered by special protection, 1974-2019



Source: constructed by the author.

Note: "Special protection" includes antidumping, countervailing duties, and protection imposed under Section 201 (safeguards), Section 421 (China safeguards), Section 232 (national security), Section 301 (unfair trade), OTEXA safeguards, MFA, Agreement on Textiles and Clothing, or other voluntary export restraints

Postscript: Trade Policy in the **Age of Trump**



How to keep up?



Trump's Trade War Timeline: An Up-to-Date Guide

Chad P. Brown (PIIE) and Melina Kolb (PIIE)

September 20, 2019 12:00 PM

Photo Credit: PIIE/Daniel Housch

This post, originally published on April 19, 2018, will be updated as trade disputes with China and other countries evolve.



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