



Global Trade News Alert Belgium

U.S. Administration to impose safeguard tariffs on washing machines and solar panels

On 22 January 2018, the U.S. Administration announced President Trump's approval of safeguard tariffs on imported residential washing machines, as well as solar cells and modules.

The rarely-used safeguard investigations allow the U.S. authorities to impose additional duties on a global basis, as opposed to the country-specific approach followed by the more common anti-dumping and anti-subsidy cases.

Safeguard measures will take the form of tariffs-rate quotas on washing machines and additional tariff on solar products. Imports of washing machines will be hit for the next three years by a 20% tariff for the first 1.2 million units imported; a much higher 50% will be levied on imports beyond the quota. Imports of solar products will face an additional duty of 30% in the first year, decreasing by 5% each year over a four year period.

Such measures give a clear sign of President Trump's protectionist stance in global trade, effectively implementing the 'America First' mantra. It could announce a coming wave of other aggressive trade actions for sectors waiting their turn, namely steel and aluminium.

The previous safeguard imposed by the U.S. dates back to 2002, when global tariffs were levied on steel imports.

However, the measure was withdrawn a year later after the WTO ruled it as illegal and authorised affected countries to impose retaliatory measures against U.S. goods.

Affected companies and foreign governments could soon initiate legal challenges, while the U.S. action might generate trade deflection and cause trade tensions in other parts of the world.

Deloitte's Global Trade Advisory specialists have hands-on experience in trade defence investigations and a global network to provide expert assistance in each case, ensuring companies' interests are appropriately defended.

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