



## 【US-China Trade Dispute】 Jewelry Industry May Feel Effects of Trump Trade Tiff

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Source: JCK Online

About two dozen Chinese jewelry items and jewelry-related materials may soon be slapped with 10 percent tariffs, as President Trump escalates his trade war against China.

On July 10, the U.S. Trade Representative announced plans to impose 10 percent tariffs on \$200 billion worth of Chinese products. The 800-item roster lists around 20 items that might play a role in the jewelry industry, including bench tools, glass beads, packaging, and silverware.

The levies won't take effect immediately, but they are due to be imposed after a review process, hearings of which will take place from August 20 to 23.

**The full list of products slated to receive the 10 percent levy is here. Among the items that could be used by jewelers and jewelry manufacturers:**

- **Wooden jewelry boxes; silverware chests; microscope, tool, or utensil cases; similar boxes, cases, and chests not lined with textile fabrics**
- **Wooden jewelry boxes; silverware chests; microscope, tool, or utensil cases; similar boxes, cases, and chests lined with textile fabrics**
- **Sterling silver tableware**
- **Articles of silver for household, table, or kitchen use**
- **Glass imitation pearls and pearl beads of all shapes and colors, whether or not drilled, not strung, and not set**
- **Glass imitation precious or semiprecious stones (except beads)**
- **Glass beads (other than imitation pearls) and similar glass smallwares**
- **Goldsmiths' or silversmiths' wares of base metal clad with precious metal**
- **Silversmiths' wares (other than for household/table/kitchen use and toilet and sanitary wares)**

**Also included: gold, silver, palladium, and platinum, in powder, unwrought, or semi-manufactured form; gold, platinum, and precious metal waste and scrap; gold leaf; gold bullion; and diamond dust and powder, including natural, synthetic, and industrial.**

Rough diamonds—described as “miners’ diamonds, unworked or simply sawn, cleaved or brut-ed”—will receive a levy, though the impact there should be minor, as China has traditionally not imported rough to the United States.

In general, Chinese pearls, gemstones, and finished diamonds seem to have been spared the tariff’s hammer, at least for now.

Finished jewelry also appears to have been largely excluded, though that wasn’t completely clear at press time. Two entries—7114.19.00 and 7115.90.05—cover “precious metal articles” but don’t, like other entries, specify whether jewelry applies. However, the Harmonized Tariff Schedule seems to indicate those entries stand apart from the jewelry category.

A spokesperson from the U.S. Trade Representative did not respond to queries from JCK.

Most people in the industry say that they were still puzzling out whether they were affected. The major jewelry organizations also said it was too early to comment. Others said privately they were confused, blindsided, and bracing for a major paperwork burden.

The International Precious Metals Institute sent an email suggesting members submit a formal comment about the impact the new policies could have on their businesses. Comments can be submitted at [regulations.gov](https://www.regulations.gov) and searching for USTR-2018-0026. Comments must be received by Aug. 17.

Chinese manufacturer Chow Tai Fook, which owns U.S. company Hearts On Fire, declined comment, though insiders said that most of the items are shipped from Hong Kong, and therefore it doesn’t anticipate an impact.

According to the Census Bureau, in 2017 China exported \$2.1 billion in jewelry to the United States, as well as \$147 million in gem diamonds and \$1 billion in gemstones.

The \$200 billion in tariffs were imposed after China responded to Trump’s original \$50 billion in tariffs with an equal number of its own. After this latest announcement, China again vowed to retaliate and impose duties on another \$200 billion worth of U.S. imports.

It’s possible the war may just be getting started. In response to what Trump called China’s “unfair retaliation,” he threatened to impose another \$200 billion in tariffs on Chinese products. The New York Times estimates the dispute, which now encompasses 10,000 products globally, may eventually escalate to 90 percent of what China sells to the United States.

The Trump administration has said that the tariffs are needed to ease America’s trade deficit with China and increase China’s compliance with intellectual property laws. The president has tweeted that trade wars are “good and easy to win.

“When we are down \$100 billion with a certain country and they get cute, don’t trade any-more—we win big,” he added. “It’s easy!”

However, as in the past, retail groups warned that the trade spat is spiraling out of control and could hurt the economy.

“[The] prices of everyday products will be forced to rise,” said National Retail Federation senior vice president of government regulations, David French. “The threat to the U.S. economy is less about a question of ‘if’ and more about ‘when’ and ‘how bad.’ And the retaliation that will follow will destroy thousands of U.S. jobs and hurt farmers, local businesses, and entire communities.”

French called on the two sides to “get back to the negotiating table.”

“The administration has been pursuing tariffs now for months, and we still don’t know the endgame,” he complained.