

US-China trade dispute

US set to impose 100% tariff on Chinese electric vehicle imports

Move marks latest effort by Biden administration to protect domestic industry from cheap competition



The sharp rise in the levies comes amid mounting concern that China could flood the US market with cheap EVs © AFP/Getty Images

Demetri Sevastopulo, James Politi and Aime Williams in Washington YESTERDAY

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The Biden administration plans to raise tariffs on Chinese electric vehicles imports from 25 per cent to 100 per cent, as it intensifies efforts ahead of the US election to protect American industry.

The administration is expected to announce the move, and other tariffs on clean energy imports, on Tuesday, according to people familiar with the situation.

The sharp rise in the levies comes amid mounting concern that China could flood the US market with cheap [EVs](#), threatening the American car industry. President Joe Biden has taken several actions in recent months to convince union members in swing states that he will protect jobs.

The Biden administration has for three years been reviewing the tariffs that then president Donald Trump put on imports from China as part of the [trade war](#) he launched in 2018. The new EV tariffs will be announced alongside the conclusion of the review, led by the US Trade Representative.

During a visit last month to Pennsylvania — a swing state in November’s election — Biden said he wanted the agency to triple tariffs on Chinese steel and aluminium. USTR also recently opened an investigation into unfair practices in the Chinese shipbuilding industry following a petition from the United Steelworkers union.

But the decision to increase tariffs on EVs comes as the administration becomes particularly concerned that China is moving far ahead in the green industrial sector, including in the production of solar panels.

“The Biden administration is trying to get ahead of the curve and ensure that the US car industry does not suffer the same fate as the US solar industry, which was virtually decimated by unfairly traded Chinese imports,” said Wendy Cutler, a former trade official and vice-president of the Asia Society Policy Institute.

Cutler said Chinese carmakers had been prepared to swallow the cost of the existing tariffs in an effort to “cripple” their US competitors, but the higher tariffs would make that much harder.

“A quadrupling of this tariff rate, however, would more effectively shield US auto manufacturers from unfairly traded Chinese vehicles before they can gain a foothold in the US market,” Cutler said.

The Biden administration has poured billions of dollars into subsidies for EV and battery production in the US — an effort to spur investment in a domestic clean tech sector as part of a strategy to reindustrialise the rust-belt, slash carbon emissions and break dependence on Chinese supply chains.

In February, Biden also ordered an investigation into whether Chinese “connected vehicles” — a growing category of vehicles connected to the internet that includes EVs — posed a national security risk to the US.

The tariffs are the latest action by the administration that show how Biden is continuing to impose costs on China at the same time that Beijing and Washington pursue efforts to stabilise relations following a summit between the US president and Chinese President Xi Jinping last year.

News of the tariff increase comes after the US and China, the world’s two biggest emitters, said this week they would “[intensify](#)” co-operation on climate-related issues, including the rollout of green energy.

The decision to increase tariffs was first reported by Bloomberg.

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