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U.S.–China Trade After the Washington Summit

Where the tariff regimes on Chinese goods stand after the IEEPA ruling, what Presidents Trump and Xi agreed in Washington, what to expect in Shenzhen, and the issues that will shape U.S.–China trade into 2027. Updated November 9, 2026.

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Agenda

1. **Where tariffs on Chinese goods stand today**
   History since 2016, 2025–2026 changes, and the current tariff stack

2. **The Trump–Xi Washington summit**
   September 23–25, 2026: what was agreed, and what was not

3. **Next steps**
   APEC Shenzhen, G20 Miami, the tariff reduction, Board of Trade and Board of Investment

4. **Key U.S.–China issues into 2027**
   Truce durability, legal risk, minerals, technology, investment, geopolitics

Jan. 10, 2027

Extended U.S.–China truce deadline

$30B each way

Reciprocal tariff-reduction lists

12.5%

New Section 301 forced-labor duty on Chinese goods

What's New Since Our October Update

1 Truce put in writing

- Exclusions, port fees: to Jan. 9
- Affiliates Rule stayed to Jan. 10
- China's pauses also run to Jan. 10

2 Midterms (Nov. 3)

- Democrats win House and Senate
- More tariff oversight from January
- No veto-proof majority

3 Shenzhen set-up

- APEC Leaders, Nov. 18–19
- Trump–Xi; possible Putin trilateral
- U.S. wants "concrete results"

4 New friction

- Outbound NPRM proposed Oct. 22
- Cuba sanctions on 2 Chinese firms
- MOFCOM: "necessary measures"

5 Tariff pipeline

- Overcapacity 301 held past midterms
- 30-for-30: no rates or date yet
- China ties farm buys to 30-for-30

6 Courts and minerals

- Forced-labor 301: CIT ruling pending
- Ga/Ge/Sb pause ends Nov. 27
- U.S. says rare-earth flows still short

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Where Tariffs on Chinese Goods Stand Today

A brief history since 2016, the 2025–2026 changes, and the current tariff regimes

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2016–2024: Section 301 Becomes the Bipartisan Baseline

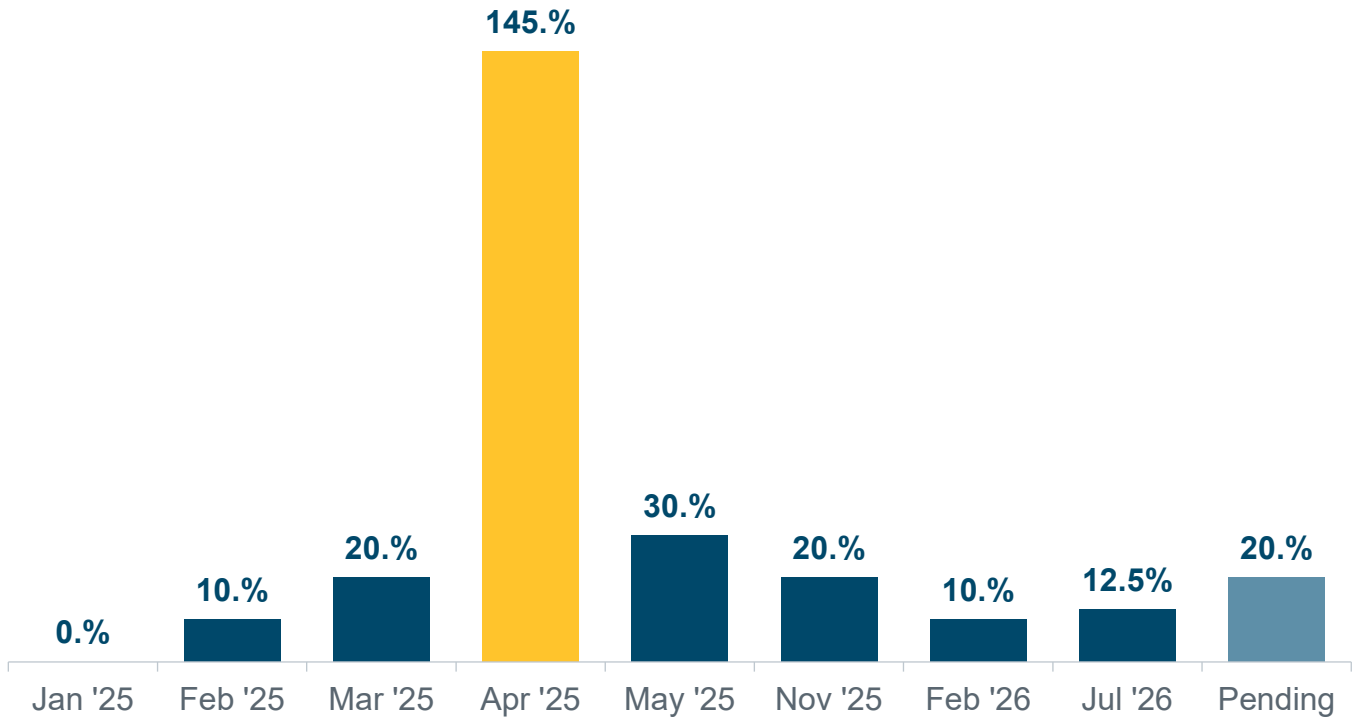


2016	Mar. 2018	2018–2019	Jan. 2020	2021–2023	May 2024
Baseline	**Section 232**	**Section 301 Lists 1–4A**	**Phase One deal**	**Biden retains**	**Four-year review**
Average U.S. tariff on Chinese goods about 3%	Steel 25% and aluminum 10%, China included	About $370B of imports; 25% on Lists 1–3, 15% on List 4A	List 4A cut to 7.5%; $200B purchase pledge largely unmet	No rollback; exclusions narrowed	EVs 100%; chips and solar 50%; batteries, minerals and steel 25%

Takeaway: the 2018 Section 301 tariffs (7.5%–100%) remain in force today and are the floor for every later layer.

2025–2026: Escalation, Truce and a Legal Reset

Second-term tariff layer on most Chinese goods, on top of legacy Section 301 (%)



Feb–Mar 2025	IEEPA fentanyl tariff 10%, then 20%
April 11 2025	Reciprocal escalation; 145% headline peak (20% IEEPA Fentanyl + 125% IEEPA Reciprocal)
May 13 2025	Geneva: IEEPA reciprocal portion cut to 10%
Oct 30, 2025	Busan truce: 20% total (10% fentanyl + 10% reciprocal); rare-earth controls, Affiliates Rule, port fees suspended
Feb 2026	IEEPA struck down; 10% Section 122 surcharge
Jul 24, 2026	Section 301 forced-labor duty: 12.5%
Pending	Overcapacity Section 301: ~7.5% reported

Section 232 in parallel: steel/aluminum 50% (Jun. 2025); autos 25% (Apr. 2025); parts (May 2025); copper (Aug. 2025); trucks 25% (Nov. 2025). De minimis ended for China May 2, 2025.

2026: The Supreme Court Resets the Tariff Toolkit

Feb. 20

IEEPA struck down

- Learning Resources v. Trump (6–3)
- Fentanyl and reciprocal tariffs void
- CBP refunds via CAPE; Phase 3 opened Oct. 6

Feb. 24

Section 122 bridge

- 10% global surcharge
- 150-day statutory limit
- Lapsed July 24, 2026

Jul. 24

Section 301 forced labor

- 60 economies; 10% or 12.5%
- China: 12.5%
- Argued at CIT Sept. 30; no ruling

Pending

Section 301 overcapacity

- Opened Mar. 11; 16 economies
- China included
- Held until after midterms

Section 232 metals overhaul (Apr. 6)

- Duty now on full value, not metal content; 50% / 25% / 15% tiers

Section 338 revived (Jul. 20)

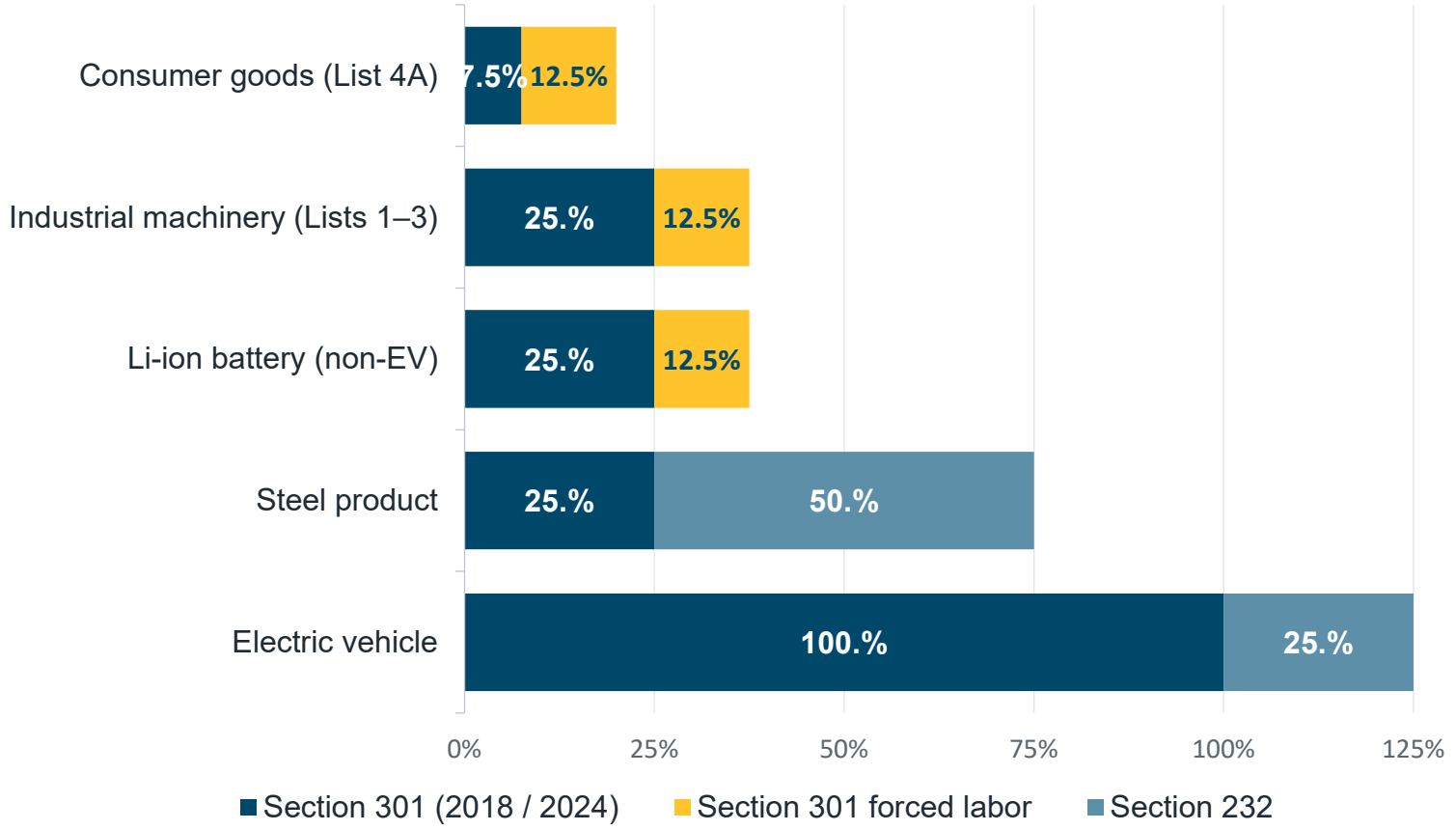
- First-ever use: 50% on Canadian goods from Aug. 19; not yet used on China

Today's Tariff Stack on Chinese Goods

Regime	Authority	Rate on Chinese goods	Status (Nov. 9, 2026)
Section 301: 2018 Lists 1–4A	Trade Act 1974 §301	25% (Lists 1–3); 7.5% (List 4A)	In force; 178 exclusions to Jan. 9, 2027
Section 301: 2024 review	§301	EVs 100%; chips, solar, wafers 50%; batteries, minerals, steel 25%	In force; Jan. 2026 step-ups
Section 301: forced labor	§301	12.5% (232 goods and annex items exempt)	In force; CIT ruling pending
Section 301: overcapacity	§301	TBD; ~7.5% reported for China	**Pending; held past midterms**
Section 232: steel, aluminum, copper	Trade Expansion Act §232	50% primary; 25% most derivatives; 15% certain equipment (10% certain equip. w/ ≥ 85% US origins)	Restructured Apr. 6, 2026/June 1
Section 232: autos, parts, trucks	§232	25% autos and parts; 25% trucks; 10% buses	In force
Section 232: other	§232	Semiconductors, lumber, pharma, polysilicon, drones	Various; more pending
IEEPA fentanyl and reciprocal	IEEPA	None	Struck down Feb. 20, 2026; refunds
Section 122 surcharge	Trade Act §122	None	Lapsed Jul. 24, 2026
Section 338	Tariff Act 1930 §338	Up to 50%, plus import bans	Used on Canada only

Rates are additional to MFN; AD/CVD orders apply separately. Forced-labor duty excludes goods subject to Section 232. Confirm by HTS line before relying on any rate.

What It Adds Up To: Illustrative Duty Stacks



Average U.S. tariff on China

~11%

Before Jan. 2025

~22%

Today

~20.5%

After 30-for-30 cuts

Source: Capital Economics estimates

Illustrative additional duties above MFN; actual rates vary by HTS line; excludes AD/CVD.

Section 301 Spotlight: Forced Labor and Overcapacity

Forced labor (in force)

- Findings June 2; final action July 23, 2026
- Effective July 24; in-transit relief to July 28
- 60 economies, about 99% of U.S. imports
- Two tiers: 10% or 12.5%; China at 12.5%
- Exempt: Section 232 goods, USMCA goods, annex items
- CIT argued Sept. 30; no ruling; still collected

Overcapacity (pending)

- Opened March 11; held until after midterms
- 16 economies incl. China, EU, Japan, Korea, Mexico
- Sectors: autos, batteries, steel, aluminum, chips, solar
- China reportedly expects no more than 7.5%
- Keeps new duties within the 20% Busan cap
- MOFCOM rejected the findings on July 28

Watch: the overcapacity rate for China is the next tariff lever and a likely bargaining chip at APEC (Nov. 18–19) and G20 (Dec. 14–15).

Sector Tariffs: Steel, Aluminum, Autos and Section 338

Section 232: steel and aluminum

- Apr. 6, 2026: duty on full value, not metal content
- 50% primary metal and close derivatives
- 25% most derivatives and certain copper articles
- June 1 adjustments (-Dec.31,'27)
- 15% for certain grid and industrial equipment through 2027
- 10% for certain foreign made equip containing ≥ 85% US-origin steel / AL content.
- Proposal to add 14 categories (cables, trailers, cranes)

Section 232: autos and trucks

- 25% on autos and parts since Apr./May 2025
- No 15% deal-partner rate for China
- Chinese EV: 100% (301) + 25% (232)
- Trucks 25%; buses 10% (Nov. 2025)
- Connected-vehicle rule: software MY2027, hardware MY2030

Section 338: revived

- First-ever use July 20, 2026
- 50% on ~554 Canadian lines from Aug. 19
- Motor-vehicle goods, dairy, alcohol; no USMCA relief
- Allows up to 50% plus import bans
- Not applied to China yet: a live post-IEEPA tool

02

The Trump–Xi Washington Summit

September 23–25, 2026: the first Chinese state visit to the U.S. in a decade

Washington Summit at a Glance (Sept. 23–25, 2026)

Jan. 10, 2027

Truce extended two months

$30B + $30B

Reciprocal tariff-cut lists

8 points

China's published consensus

1. **Trade truce**
   Nov. 10 → Jan. 10, 2027; both sides formalized it by Nov. 9
2. **Board of Trade**
   Operationalized; first output is the 30-for-30 lists
3. **AI dialogue**
   SI dialogue and incident channel; round 2 due in Nov.
4. **Coal**
   U.S. says 10+ MMT a year in 2027–28; China unconfirmed
5. **Fentanyl**
   Two more precursors controlled; 21 arrests in August
6. **Board of Investment**
   Formally established; few specifics so far

The Tariff Reduction: “30-for-30” Lists

U.S. cuts on Chinese goods

77 tariff lines

- Housewares and small appliances
- Furnishings and holiday decorations
- Toys, dolls, puzzles, sporting goods
- Children's car seats; fishing and art supplies

>90%

to MFN rates

China cuts on U.S. goods

1,619 tariff lines

- Agriculture, seafood and foodstuffs
- Timber and logs; coal
- Cosmetics and personal care
- Medical devices (MRI, ultrasound, dental)

Excluded: chips, EVs, batteries, computers, vehicle components; soybeans not on China's list. **Timing:** still no rates or effective date as of Nov. 9; China ties more U.S. farm purchases to implementation.

What the Summit Did Not Resolve

Rare earths

China extended its pause to Jan. 10 (Nov. 9); U.S. says deliveries still short

Export controls

“Off the table” (USTR Greer); chips and entity listings still contested

Taiwan

No U.S. policy change; $30B Taiwan defense budget; arms sales expected

Agriculture

Soybeans on track; other farm buys lag ($7.2B Jan.–Sept. vs. $17B/yr)

Overcapacity 301

China rate still undecided; Beijing wants it capped

Post-summit friction

150%–300% “build here” threat; outbound NPRM; Cuba sanctions

03

Next Steps: Shenzhen, Miami and the New Boards

Upcoming meetings, the tariff reduction, and the Board of Trade and Board of Investment

Road Map: Meetings and Deadlines Ahead

Nov. 3	Nov. 18–19	By end Nov.	Dec. 14–15	Jan. 10, 2027
1	2	3	4	5
Midterms held Democrats win House and Senate	**APEC Leaders, Shenzhen** Trump–Xi; possible Putin trilateral	**AI dialogue, round 2** Incident channel to be made operational	**G20 Summit, Miami** Xi expected; most likely venue for a deal	**Truce deadline** Exclusions and port fees end Jan. 9; Affiliates Rule and China pauses Jan. 10

Since Oct.: both sides formalized the Jan. 10 extension (Nov. 6–9). He Lifeng and Bessent meet in Shenzhen before the leaders. Any larger deal is most likely announced in Shenzhen or Miami.

Board of Trade and Board of Investment

Board of Trade

- Chartered at Beijing summit, May 14–15, 2026
- Manages bilateral trade in non-sensitive goods
- Operationalized in Washington with procedures
- First output: the 30-for-30 tariff-cut lists
- Agriculture market-access working group
- Vehicle for further tariff reductions

Board of Investment

- Also chartered in Beijing; formally set up in Washington
- Government-to-government forum on investment
- Covers opportunities and impediments
- No public specifics; absent from China's readout
- Watch: Chinese greenfield investment in U.S. plants
- Tension with FEOC, CFIUS, connected-vehicle rule

Likely Agenda for Shenzhen and Miami

1. **Truce**
   Another short extension or a longer-term arrangement

2. **Tariff reduction**
   Effective date for MFN cuts; possible list expansion

3. **Overcapacity 301**
   China seeks ~7.5% cap to stay within 20% total

4. **Rare earths**
   Delivery shortfalls; Ga/Ge/Sb pause ends Nov. 27

5. **Purchases**
   $17B/yr farm goods (lagging), soybeans, Boeing, coal

6. **Technology**
   Chip licenses (e.g., H200); AI incident channel

7. **Fentanyl**
   Permanent scheduling of precursors; enforcement

8. **Investment**
   Board of Investment; outbound investment NPRM

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Key U.S.–China Issues Into 2027

What to watch from now through 2027, and what it means for supply chains

Key Issues: Now Through 2027

1 Truce durability

- Jan. 10, 2027 cliff
- Extensions: 1 year, then 2 months
- Fragile through 2027 (CSIS)

2 Tariff legal risk

- Forced-labor 301: CIT ruling pending
- Overcapacity 301 outcome
- Chip 301 step-ups from June 2027

3 Critical minerals

- Controls suspended, not repealed
- EV motor magnets: the pinch point
- U.S. diversification push

4 Technology controls

- Chips, entity listings, Affiliates Rule
- AI dialogue and guardrails
- Connected-vehicle rule (MY2027)

5 Investment policy

- Board of Investment vs. FEOC, CFIUS
- 150%–300% “build here” threat
- Outbound investment NPRM

6 Geopolitics

- Taiwan arms sales
- South China Sea; Iran; Russia
- Democratic Congress from Jan. 2027

What This Means for Automotive, EV and Battery Supply Chains

1

Re-map duty exposure

Recalculate by HTS: legacy 301 + forced-labor 301 (unless 232) + 232; IEEPA gone

2

Recover IEEPA duties

Check CAPE eligibility and liquidation status; Phase 3 covers finally liquidated entries

3

Plan for Jan. 10

Model snapback: exclusions end Jan. 9; rare earths, Affiliates Rule Jan. 10

4

Engage on overcapacity

Action expected post-midterms; prepare exclusion and comment strategy

5

FEOC and connected vehicles

Screen China-linked content for credits and the MY2027 software ban

6

Origin and forced labor

Tighten transshipment, origin and UFLPA diligence for Mexico and Asia

Questions?

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