



# Trade war intensifies as Biden slaps more tariffs on Chinese products

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US president Joe Biden has revealed a new set of major tariff increases which will hit many different Chinese imports as well as impact the shipping of those products.

The largest tariffs will be imposed on Chinese electric vehicles, advanced batteries, solar cells, steel, aluminium, and medical equipment. Biden opted to keep in place tariffs imposed during the Trump presidency while others were raised several fold. The first that pops out is the increase of duties on Chinese EV cars from 25% to 100% while semiconductor tariffs doubled from 25% to 50%, and lithium-ion EV battery duties jumped from 7.5% to 25%.

“American workers can out-work and out-compete anyone as long as the competition is fair, but for too long it hasn’t been fair. We’re not going to let China flood our market,” Biden said during a speech in front of the White House.

### *We’re not going to let China flood our market*

However, the tariffs will not hit hard in the short term because some will not take effect until 2026, but for EV batteries, solar, and other specific items, the impact will be immediate.

This, however, can hamper Biden’s climate goals and his job creation promises due to it raising the costs of EV production via tariffs on batteries.

The White House claimed that these measures will affect around \$18bn in imported Chinese goods. But some are nothing more than a headline grab since the tariffs on EVs will not have an important impact since a very small number of those vehicles are imported from China.

Data from the US Census Bureau states that the US imported \$427bn in goods from China in 2023 and exported just \$148bn. This gap has existed for a long time and has become a thorn in Washington’s eye.

China, as expected, pushed back against the tariffs, and stated that this move would seriously affect the atmosphere of bilateral cooperation. The Biden administration believes that the tariffs won’t escalate tensions with China but it will certainly explore ways to respond to the new taxes on its products.

These measures are part of the presidential election tussle between Donald Trump and Biden who both, in their own way, support tariffs on Chinese products. Trump’s

idea is to have 10% tariffs on all imported products regardless of where they come from and 60% tariffs on all Chinese goods.

Lars Jensen, CEO of Vespucci Maritime and an expert in the container shipping industry, said via social media that, purely from a container shipping perspective, the goods to note with increased tariffs are solar panels from China.

"More than 50,000 teu is imported into the US each quarter. However, it should here be noted that in 2023 a full 84% of these were imported from Cambodia, Vietnam, Thailand, and Malaysia. But in this context, it should be noted that these are Chinese companies who set up operations in Southeast Asia in an attempt to not be subjected to the US/China trade war," he noted.

"Another element to notice from a container shipping perspective is the introduction of a 25% tariff on ship-to-shore cranes from China," Jensen added.

Tariffs on photovoltaic cells used to make solar panels were bumped from 25% to 50% while some critical minerals will have their tariffs raised from nothing to 25%. The tariffs on ship-to-shore cranes will rise to 25% from zero. In 2025 and 2026 tariffs will also be raised on lithium-ion batteries that are not used in electric vehicles, graphite, and permanent magnets.

*Pictured above, a Hapag-Lloyd boxship seen passing by a US aircraft carrier taken by John Morgan off Baltimore earlier this year.*