

APPAREL AND ACCESSORIES

Fashion, retail trade bodies welcome US-China tariff tension easing

December 13, 2019



President Trump in the Oval Office announcing phase one of US-China trade deal Dec. 13, 2019. Image credit: The White House

By STAFF REPORTS

President Trump's announcement that the United States and China have reached an early agreement on a trade deal quickly cheered lobbies representing fashion and retail.

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The United States Fashion Industry Association and the National Retail Federation both put out statements welcoming conclusion of the phase-one trade deal between the two countries that have been at loggerheads for almost 19 months.

"On behalf of USFIA member companies and our customers, we welcome the announcement that the United States and China have finalized the Phase One trade agreement," the **USFIA** said in a statement.

"These tariffs on apparel, accessories, home textiles, footwear and other consumer products represent an additional tax on American families.

"We encourage President Trump and the administration to move quickly to begin the phase two negotiations to find a solution to the trade war."

Hi and buy

China has agreed to buy more manufactured goods, farmed products and energy from the U.S. in lieu of lower tariffs. Fashion relies heavily on China for components, fabric and assembly.

Per the deal, a 25 percent tariff imposed on \$250 billion-worth Chinese products will stay. However, a 15 percent tariff that Mr. Trump placed on \$120 billion-worth of Chinese goods in September will be halved to 7.5 percent.

As negotiations continue, the Chinese side expects more exemptions and reduced tariffs in a phased manner on imports worth an overall \$360 billion.

The deal was announced as the U.S. House of Representatives is undertaking steps to impeach Mr. Trump.

While it is doubtful if the U.S. Senate will salute that censure through, the easing of tensions with Chinese will likely boost Mr. Trump's prospects in the presidential elections next November.

The initial trade deal announcement comes soon after the [National Retail Federation](#) and USFIA, among scores of other organizations who are members of the Americans for Free Trade coalition, sent President Trump a letter Dec. 11 asking that tariffs that were set to take effect on Sunday be suspended.

The letter called for "a final deal that not only addresses our key concerns with the U.S.-China trade relationship but also eliminates the current tariffs imposed on both goods sourced from China and our goods exported to the critically important China market."

IT SEEMS that the newly announced deal cancels those tariffs and will cut tariffs that took effect in September. But earlier tariffs still will remain in effect.

"For the first time in months, the United States and China are moving in the right direction on tariffs, and we congratulate negotiators from both sides for the progress they have made," said David French, senior vice president for government relations, in a statement.

"Tariffs create uncertainty and costs for American retail supply chains, and the trade war won't be over until they are eliminated completely," he said.

"We agree that we need to realign our relationship with China, but tariffs that harm American businesses, workers and consumers are not the answer and cannot be allowed to continue."

[Please click here to read the letter from the Americans for Free Trade, asking for tariff suspension](#)

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