

Analysis of the US / China Escalating Trade War and Its Impact on the Electronics Components Supply Chain

Immediate Impact Seen in the First Nine Months

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The relatively stable global trade environment of the last two decades has been upended over the last 18 months as the US has engaged in aggressive actions that the Trump administration feels are necessary to address major trade imbalances and inequities. Every sector of the US economy has been impacted by the US / China trade conflict with tariffs imposed or to be imposed by the US on over 10,600 products imported from China representing \$550 billion in value.

The US electronics and electronics components industries were some of the first to be impacted by this trade war. The first two tariff lists enacted in July and August 2018 resulted in tariffs on \$50 billion in Chinese products. Out of the list of products from China with new tariffs, total electronics components represented \$9.4 billion, 19 percent of the total value of products with new tariffs. Virtually all electronics components were included in the first two lists with only a relative handful of electronics products added in the next two lists that will result in tariffs on all Chinese imports.

The full ECIA Executive Analysis provides figures and tables detailing the imports of electronics components from China to the US along with analysis of the varying impact on different component families. The monthly shipments and change in value are presented and the dramatic change from the start of the imposition of tariffs can be seen. The recent US action against Huawei Technology is also analyzed. Finally, recommendations are presented to provide guidance to participants in the electronics components supply chain as they manage the challenges presented by the US / China trade conflict.

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