US-China trade tensions escalate, creating uncertainty for global petrochemicals trade flows

The latest escalation in the US-China trade war resulted in the US raising tariffs on $200bn in Chinese products from 10% to 25% as of 10 May. China retaliated by increasing tariffs on $60bn in US products from rates of 5-10% to 5-25% as of 1 June. As a result of continued market uncertainty, spot prices across several Asian commodities have flattened in recent weeks while players wait for a conclusion to the trade talks. This ICIS infographic examines how key petrochemicals trade flows could change following the increased tariffs.

US-China trade tensions escalate in May 2019

US chemical exports hit by China tariffs: Rounds 2 and 3 (2018 figures)

China chemical exports to the US impacted by US tariffs: Round 3

A look back on escalating US-China trade tensions

Contributing editor: Felita Widjaja

Source: ICIS Supply and Demand Database, USITC

Note: *HTS codes 3206.11 and 3206.19 – pigments and preparations based on TiO2

Shows only chemicals with volumes of at least 10k tonnes
USD VS CNY EXCHANGE RATE

Trump announces rise in tariffs from 10% to 25%

FINISHED PLASTIC PRODUCTS COME UNDER PRESSURE

- An estimated 2.6m tonnes of annual Chinese plastic products demand might be lost as a result of these tariffs
- 67% of demand is for products made from polyolefins
- The US imported $39bn of finished plastics products from global sources in 2017
- China’s exports to the US worth $7bn made up around 30% of total US imports in terms of volume, but a mere 18% of total imports in terms of value

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PE IMPORTS TO CHINA

- LLDPE imports to China 2016-2018 (tonnes)
- HDPE imports to China 2016-2018 (tonnes)

Source: American Chemistry Council, US International Trade Commission

Source: ICIS Supply and Demand database

Source: Fxstreet.com