

New Tariffs on Chinese Products Announced

On Monday September 17, 2018 the Office of the United States Trade Representative (USTR) announced a 10% tariff on thousands of Chinese products that will go in to effect on September 24, 2018. The announcement also established that tariff rates will increase by an additional 15%, to a total of 25%, on January 1, 2019. The new tariffs do not include any of our other global factories.

What Is the Reason for The New Tariffs?

Section 301 of the Trade Act of 1974 allows the USTR to impose punitive sanctions on a country engaged in unreasonable or discriminatory practices that burden or restrict U.S. commerce. In this case, the main concern is the theft of intellectual property by China. In a 2017 report by the U.S. Commission on the Theft of American Intellectual Property, it was estimated that China's intellectual property theft costs the U.S. economy between \$225 billion and \$600 billion annually.

What Products Are Included?

This summer, new tariffs were imposed on \$50 billion worth of Chinese goods. This week, thousands more products, totaling \$200 billion were added to that list. Of our diverse product lines, many metal and textile items are affected. Talk with our Sales Representatives about your options, Fasnap offers alternate fastening solutions manufactured in the USA, Japan, Taiwan, Korea, Vietnam and other countries. Our Sales Team will work with you to determine the best solution for your application. The full list of affected products issued by the USTR can be viewed at www.ustr.gov or in digital format follow the link [here](#).

How Can We Help?

Our number one priority is to ensure that you receive exceptional service, excellent quality and superior value to conduct your own business. One way we serve you is in pre-planning for events such as this. Due to our own analysis of buying patterns Fasnap built additional stock of critical items. We are able to defer the tariff increase until 1 November 2018 when shipments reflect the impacted increase.

Transparent Business Partnerships.

Fasnap's pricing policy is to pass along only those costs incurred to ensure a fair profit. Many of our items have not seen price increases since 2012. We have been able to hold our prices steady while suppliers and ourselves incur annual COLA increases, commodity price fluctuations, environmental controls, wage, and benefits pressures. Of our many global factories, our factory producing the 7047 Series Snap Fastener has implemented these types of cost increases. Two charts below show the average LME Copper Price change since 2016.

LME COPPER HISTORICAL PRICE GRAPH



SHOW HISTORICAL DATA FOR

Date From

01-Jan-2016



Date To

03-Sep-2018



AVERAGE LME COPPER PRICE 2016 - PRESENT

	2016	2017	2018
Oct	4,644.0	5,573.5	7,180.5
Nov	4,695.0	5,930.0	7,026.0
Dec	4,779.0	5,993.0	6,881.0
Jan	4,815.0	5,816.5	6,755.0
Feb	4,955.0	5,746.0	6,784.5
Mar	4,599.0	5,636.0	6,813.0
Apr	4,783.0	5,893.0	6,594.5
May	4,906.0	6,299.5	6,136.5
Jun	4,619.0	6,775.0	5,950.0
Jul	4,806.0	6,446.0	
Aug	4,870.5	6,902.0	
Sep	5,735.0	6,733.0	
Avg.	4,850.5	6,145.3	6,680.1
Prior Year Avg.		126.7%	108.7%
VS 2016		126.7%	137.7%