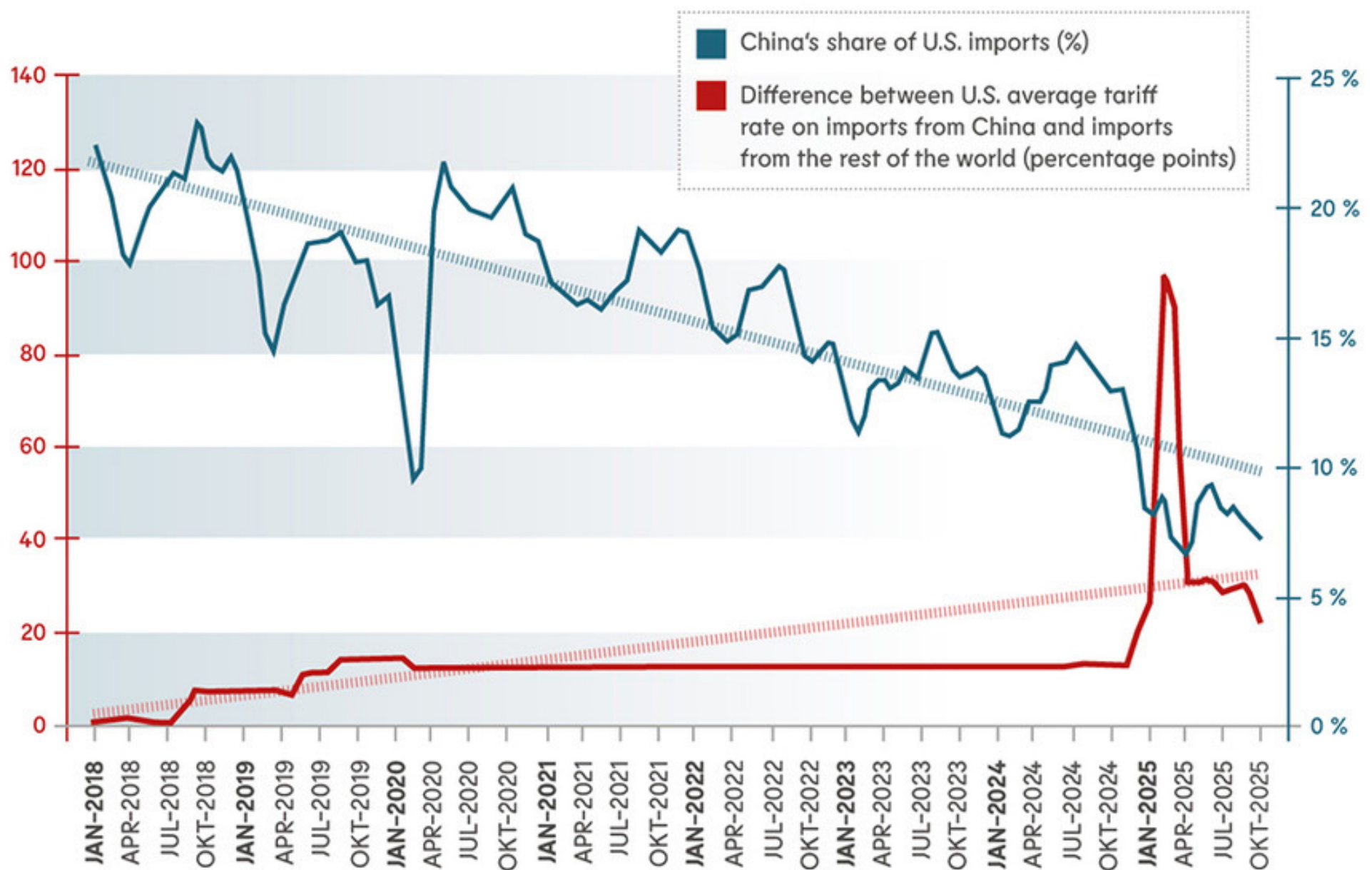


The U.S. “transshipment” issue:

Imports from China go down as trade finds ways around tariffs



Source: Chad P. Brown, Peterson Institute of International Economics

Weekly Facts & Figures.

- **Trade policy:** A new White House report accuses China and 40 other countries of orchestrating a “Great Transshipment Scam” to evade U.S. tariffs.
- **Supply chains:** U.S. imports from China have declined as tariff differentials widened, but economists say the shift reflects broader supply-chain changes—not simply illicit tariff avoidance.
- **Geopolitics:** The report’s protectionist framing risks worsening trade tensions with China and U.S. allies involved in global value chains.

What This Means.

"When speaking of 'transshipment,' the White House conflates legitimate 'substantial transformation' with illicit redocumenting or repackaging. In effect, the report denies that division of labor in supply chains can ever be legitimate so long as Chinese inputs or value-add are involved. Such indiscriminate rhetoric is likely to inflame trade tensions."



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Start the conversation.



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