



Tariff Updates: July 16, 2018

Dear Valued Customer,

As many of you are aware, the United States and China have been in a trade dispute resulting in a 25% tariff on certain products originating from China effective July 6, 2018. While the situation is still ongoing, we are working closely with our manufacturer partners to identify the affected products. To see a current list of the HTS codes affected by the tariff, please reference the list from United States Trade Relations [here](#).

Unfortunately, due to the increases being passed on to Allied, prices on many of our products will be increased to reflect the additional charges related to the tariffs. We will **only** increase the price of products in the instances where the increases have been incurred by Allied. Rather than allocating these tariffs to a separate line-item charge, we will be including the cost of the tariffs in the unit price when applicable. This allows our customers to see the true cost of the products through all of our channels, and should serve to simplify your ordering, receiving, and accounting processes.

As we continue to work with our manufacturers on identifying affected products, we will keep you updated on the impacts of the tariffs to you and your business. This is a very fluid situation. To date, we have heard from a limited number of manufacturers and expect to hear from more in the coming weeks.

Sincerely,

Allied Electronics & Automation

Allied Electronics & Automation, 7151 Jack Newell Blvd. S., Fort Worth, TX 76118

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July 2018 Newsletter

Dear Valued Customer,

As you may know, the current administration has recently put 25% tariffs on \$20 billion worth of Chinese imports and an additional \$200 billion is still to come. In recent days, we have been inundated with calls and emails from our customers concerned about price hikes on PCBs because of these tariffs.

We, at Imagineering, Inc., want you to know that we make all of our Printed Circuit Boards in the USA and at our Taiwan facility and, therefore, the 25% tariff will NOT affect us or you, the customer. You can continue to rely on us for all your quick turn PCBs, from prototype to production, at a great price. We look forward to continually serving you and being a part of your supply chain team.

The purpose of this email is to ensure that our customers are informed and are shielded from higher costs and longer lead times, so please do not hesitate to reach out if you have any questions regarding the tariffs or would like to request a quote.

Best Regards,
Khurrum Dhanji
CEO & Managing Partner
Imagineering, Inc.



June 27, 2018

Subject: United States Trade Representative, Section 301, Trade Act of 1974

Dear valued customer,

On June 15, [U.S. Trade Representative Section 301 passed](#), confirming additional tariffs on certain products imported from China. The list includes 818 product lines (identified by HTS codes) of China origin that will be impacted with a 25 percent tariff increase when brought into the U.S., beginning July 6, 2018. A second list of 284 products also is under review and, by fall 2018, U.S. Trade Representative will issue a final determination on products from this list that will be subject to additional duties.

We recognize the impact these tariffs have across the industry. We are working with industry trade organizations and our supplier partners to implement the changes while minimizing disruption within the supply chain. Additionally, we are advocating for a reduced number of products identified on the second list that is currently under review.

Tariff increases on the original 818 products will be effective July 6, 2018. Arrow is collaborating with impacted suppliers to understand how they will pass along these new tariffs, and we expect that most will pass them along at 100%. Arrow will pass along the tariff increases beginning on the effective date.

We will provide additional details on Monday, July 2, 2018.

We appreciate your continued support as we navigate these unprecedented changes in our industry.

Sincerely,

John Drabik
President
Americas Components

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July 3, 2018

Subject: United States Trade Representative, Section 301, Trade Act of 1974

Dear valued customer,

I want to share an update on Arrow's continued work related to the [recently announced](#) United States Trade Representative Section 301 China tariff changes and their impact on our business and industry.

Since my letter dated June 27, 2018, the Arrow team has been working directly with our supplier community to understand their plans for handling the new tariffs. Currently, we are compiling our supplier data to guide our short- and long-term solutions.

Very soon, **we intend to provide you with a list of impacted parts specific to your business with Arrow.** Our sales team will partner with you to help you make informed decisions on how to manage the impacted parts you purchase from Arrow. Please stay tuned in the coming weeks for new information as it becomes available.

Again, I appreciate your continued support as we navigate these unprecedented changes in our industry.

Sincerely,

John Drabik
President
Americas Components



The Specialist in Electronic Component Distribution

June 26, 2018

Re: Section 301 Import Tariffs

Dear Valued Customer,

With the Administration's passage of the Section 301 tariffs on products made in China, efforts continue to be made by industry associations and individual businesses like that of TTI for component-level devices to be removed from the list due to the impact on American businesses. Additionally, please be aware that a second list of components identified by the Office of United States Trade Representative will undergo further public notice and comment, including a public hearing. This process is expected to be completed by fall 2018.

What we know today is that all components produced in China and included in Section 301 will be subject to the new tariffs effective July 6. For the purpose of clarification, components manufactured in Taiwan and Hong Kong are not considered within the scope of Section 301, therefore are not subject to the additional tariff.

As of this communication we are just beginning to receive formal notification from our suppliers as to how they intend to pass through the new tariffs. We do expect all suppliers to pass thorough the tariff and anticipate that 100% of the additional tariff will be passed through.

Since many suppliers produce components in multiple countries it is not known until time of receipt/shipment if the Country of Origin on the components being shipped will be that of China. For this reason our salespeople will not always know the Country of Origin at time of order placement. Because of the magnitude of the tariffs if the Country of Origin on the components being shipped to your company is China, TTI will have to begin passing through these tariffs on the effective date.

We will continue to communicate with you as circumstances warrant further updates.