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Rechargeable Batteries (OVERWEIGHT)

Dialogue with the market #51: Impact of ITC's ruling against tariffs on Chinese anode materials

- At dawn on Mar 13 (Korean time), the US International Trade Commission overturned the US Department of Commerce's final ruling on tariffs on Chinese graphite anode materials.
- The applicable tariff rate on Chinese anode materials has been reset to 43.4%, allowing them to maintain competitiveness in the North American anode market.
- The ruling has dashed expectations for a structural realignment of the US anode material supply chain and raised concerns about the unpredictability of US trade enforcement in the market.

Introduction: In this report, we examine the unexpected and far-reaching implications of the US International Trade Commission's (ITC) unexpected negative ruling on Chinese anode materials, announced early on Mar 13 (Korean time). Prior to this ruling, the US Department of Commerce (DOC) had concluded its investigation by proposing steep anti-dumping (AD) and countervailing duties (CVD) on Chinese anode materials—totaling up to 160%—based on findings of unfair trade practices. The ITC's determination of whether these imports had caused material injury to the US domestic industry was the final procedural step required to implement those tariffs. However, in a surprise move, the ITC delivered a ruling that not only contradicted the DOC's findings but also nullified the proposed high tariffs—a decision that came well ahead of the statutory deadline and has since triggered negative sentiment across battery-related equities.

US Department of Commerce's final determination and ITC invalidity ruling

Responsible US agency	Category	Preliminary determination	Final determination	Ruling result (tariff rate)
DOC	Countervailing duties	May 28, 2025	Feb 11, 2026	66.86%
	Anti-dumping duties	Jul 17, 2025	Feb 11, 2026	93.50%
ITC	Injury determination		Mar 12, 2026	No injury to US industry; duties imposed by the DoC are invalidated

Note: Based on US local time.
Source: US Department of Commerce, International Trade Commission

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ITC rules "no material injury to US industry": Early on Mar 13 (Korean time), the ITC issued its final determination: Chinese imports of anode materials have not caused material injury to the US domestic industry. Thus, the DOC's proposed AD+CVD tariffs of up to 160% have been fully quashed.

Competitive position of Chinese anode materials under baseline tariff rate of 43.4%: With the AD and CVD tariffs nullified, the tariff rate for Chinese anode materials reverts to a baseline rate of 43.4%. In February, Chinese anode material prices averaged an estimated USD4.4/kg—the average of Chinese synthetic graphite prices (USD3.6-4.7/kg) and natural graphite prices (USD3.7-5.2/kg). Applying a tariff rate of 43.4% brings the average Chinese anode material price to USD6.3/kg. By comparison, Korean import/export data show export prices of USD4/kg for natural graphite and USD8.5/kg for synthetic graphite. Thus, a 43.4% tariff on Chinese anode materials leaves Korean producers competitive on natural graphite-based anodes but uncompetitive on synthetic graphite.

Changes in tariff rates on Chinese batteries

Tariff type	Year	
	2025	2026
Basic import tariff	3.4%	3.4%
Section 301 tariff	7.50%	25%
Fentanyl tariff*	20%	0%
Section 232 tariff (May 3, 2025)	0%	0%
Reciprocal tariff (Apr 3, 2025)**	10%	0%
Section 122 tariff (Feb 20, 2026)	-	15%
Final determination on countervailing duties (CVD)		**0.0%**
Final determination on anti-dumping (AD)		**0.0%**
Final tariff rate	**40.9%**	**43.4%**

Note: *Initially 20%, later reduced to 10% following US-China APEC summit (Oct 2025);
**Implemented under IEEPA, then nullified by US Supreme Court for being unconstitutional
Source: DOC, BNEF, Samsung Securities estimates

Cathode material prices reflecting US tariffs: China vs Korea

Category	China	Korea
Synthetic graphite*	4.2	8.5
Natural graphite*	4.8	4
Cathode material purchase cost (pre-tariff, 7:3 blend ratio)	4.4	7.1
US import price, post tariffs	6.3	8.2

Note: *Average price for China, average export unit price for Korea
Source: BMI, Fastmarkets, Korea Trade Statistics, Samsung Securities estimates

Positive catalyst for Posco Future M evaporates; market anxiety rises: While the ITC's ruling applies specifically to anode materials, it has broader implications. The initial trigger for the US investigation was a petition filed by the US Anode Materials Production Association, which argued that Chinese imports were distorting the market. The DOC's earlier findings were based on the ITC's preliminary assessment that these claims were credible—a key reason high tariffs were proposed. The ITC's reversal—particularly its timing, coming well ahead of the statutory deadline and just before high-level US-China trade talks (*ie*; between Treasury Secretary Bessent and Chinese Vice Premier He Lifeng)—has left some asking whether this decision was politically motivated. Investors are now concerned this move reveals broader unpredictability of US trade policy. In other words, the implications extend far beyond this single product.

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