

Reciprocal tariffs.

The President issued an Executive Order implementing IEEPA Reciprocal tariffs against all nations except for Canada and Mexico and some sectoral goods

- Effective April 5, 2025, at 12:01AM EDT, a 10% ad valorem additional tariff will be imposed on imports from all countries.
- Effective April 9, 2025, at 12:01AM EDT, country-specific reciprocal tariffs will be imposed, raising the 10 % to the rates shown on the Annex 1 sheet,
- Provides that President Trump may increase tariffs if trading partners retaliate, and the tariffs may be decreased or removed if trading partners align with the U.S. in terms of economy, national security and reciprocal trade.
- Certain goods are not subject to these tariffs, including:
 - Articles subject to 50 U.S.C. §1702(b) (Artworks, informational materials, etc.)
 - Steel and aluminum articles, as well as the automobiles and auto parts which are already subject to Section 232 tariffs
 - Copper, pharmaceuticals, semiconductors, lumber and other sectoral goods
 - Energy and certain minerals that are not available in the United States
- The tariffs are in addition to any regular duty and tariffs already in place (Sec. 301, 232, IEEPA)
- Goods loaded onto a vessel at the port of loading and in transit on the final mode of transit before 12:01 a.m. eastern daylight time on April 5, 2025, or April 9, respectively are exempt from the tariff.
- It is understood that the 10% rate will apply to all countries first and then increase to country specific rates later, with separate applicability based on loading date and entry date.

Sectoral Tariffs.

Focused on strategically important industries or commodities, as outlined in the USTR's 2024 Trade Policy agenda report, there will continue to be a focus on automobiles, pharmaceuticals, lumber, copper, and semiconductors. The President, citing Sec. 232 authority, has announced additional tariffs on finished automobiles of 25%, effective 2 April and automobile parts, effective 3 May. Expect further sectoral tariffs under Sec. 232 to be announced in the coming weeks.

Venezuela Oil IEEPA:

On Monday 24 March, the President issued an Executive Order asking the Secretaries of State and Commerce to define which nations import oil from Venezuela and introduce a 25% IEEPA tariff on all imports from any nation who buys oil and petroleum products from Venezuela.

From 2024 trade data, the largest buyers of Venezuelan oil are: China, Turkey, Brazil, the U.S., Spain, Italy and Cuba.

Chinese Vessel Surcharges:

After an Executive Order, the USTR has initiated a Sec. 301 investigation into a potential new port fee of up to \$1.5m per call by Chinese operated or made vessels. A final hearing was held on 26 March, ahead of today's USTR report to the President.

Any Section 301 fees on Chinese vessels could be worked into ocean costs through increased rates and surcharges. The \$1.5m fee results in around a \$1200/TEU surcharge.

Current tariffs in place include:

China

- 10% reciprocal IEEPA effective 5 April, increasing to 34% 9 April.
- 10% additional IEEPA tariff on all products from China, effective 4 March, raising the tariff introduced 4 February to 20%.
- The 10% is in addition to any existing duty and other tariffs.
- Importers should have evidence of loading (dated bill of lading) for CBP review.
- No exclusions to this tariff other than the above loaded by date.
- Existing Sec. 301 exclusions are in effect until they expire on 31 May.

Canada and Mexico

- 25% IEEPA tariff on all products from Canada and Mexico, for goods entered from 4 March, excluding USMCA qualifying products from **6 March**.
- USMCA qualifying goods remain exempt from IEEPA.
- Canada and Mexico have implemented targeted retaliatory tariffs on US Imports.

Steel and Aluminum

- 25% Sec. 232 tariff on steel and aluminum on all countries effective on goods entered from **12 March**.
- The 25% is in addition to any regular duty and other tariffs.
- No exclusions
- Sec. 232 country-specific and tariff rate quota (TRQ) provisions expired on 12 March.
- For any derivative aluminum article identified in Annex I that is not in Chapter 73 or 76 of the HTSUS, the additional tariff applies only to the steel or aluminum content of the derivative article. Previous Sec. 232 rounds are listed in Notes 16 and 19 of Chapter 99. Importers that have components that are bought as a finished good with blended materials, need a bill of materials breakdown from the supplier to assess the correct rate of duty & tariff.
- Goods made of steel or aluminum smelt and cast in the US but worked into finished products overseas do not carry the tariff.
- For Steel products, the Federal Register is FR 2025-02833, and for Aluminum products, the Federal Register is FR 2025-028232.

Automobiles and Parts

- 25% on all imported automobiles, effective 3 April 2025
- 25% on specific automobile parts, effective 3 May 2025