

President Trump Announces New “Reciprocal Tariffs” for Almost All Imports into the United States

April 3, 2025 Edward Lebow

PRACTICES Mexico, Canada, International

On April 2, 2025, President Trump announced a sweeping new tariff policy, signaling a major change in U.S. trade policy. In both a Rose Garden Ceremony and a newly published Executive Order, the Administration has outlined a new policy of reciprocal tariffs, which combines both universal tariffs and nation-specific duties that will affect imports from all trading partners of the United States. A detailed summary of the new policy is provided below, but some of the key points to know are:

- There is a **10% baseline tariff** on almost all imports that will come into effect on **April 5, 2025**.
- There are also **higher country-specific rates** for certain trading partners that will come into effect on **April 9, 2025**—including China 34%; EU 20%; India 27%; Israel 17%; Japan 24%; South Korea 26%, Switzerland 32%; Taiwan 32% (the highest rate is applied to Lesotho at 50%).
- The higher country-specific rates do **not** include several major trading partners, such as Australia, Brazil, New Zealand, and the United Kingdom—to whom the 10% baseline tariff applies.
- The new **34% tariff on imports from China** will add to previous duties.
- **Canada and Mexico are excluded** from the reciprocal tariffs, but the “border emergency” tariffs previously announced are still in place.
- The new reciprocal tariffs **do not apply to automobiles, automobile parts, steel, aluminum** and certain other excluded items (most of which have already been the subject of prior Executive Orders from the Trump Administration).
- The tariffs are **cumulative** and will apply in addition to other existing tariffs.

New Reciprocal Tariff Policy.

The Executive Order announces a policy that is based on the final results from two sets of investigations:

- (i) The investigation ordered by a Presidential Memorandum from Jan. 20, 2025 ([America First Trade Policy Presidential Memorandum](#)) into the causes of the national trade deficit in goods (including the economic and national security implications and risks resulting from such deficits) and unfair trade practices by other countries; and
- (ii) A review ordered by a Presidential Memorandum from Feb. 13, 2025 ([Reciprocal Trade and Tariffs](#)) that directed further review of America’s trading partners’ non-reciprocal trading practices (noting the relationship between non-reciprocal practices and the trade deficit).

National Emergency.

This new set of tariffs (the “**Reciprocal Tariffs**”) is implemented under the authority granted by the International Emergency Economic Powers Act of 1977 (IEEPA)—the same authority used to

impose the previously announced tariffs on goods imported from China, Mexico and Canada. The Executive Order invokes IEEPA and declares a national emergency “arising from conditions reflected in large and persistent annual U.S. goods trade deficits.” It argues, in part, that the cumulative effect of consistent trade imbalances has caused the United States to lose jobs, manufacturing capacity and industrial base—particularly in certain critical and advanced industrial sectors—which compromises U.S. economic and national security as well as military readiness.

Reciprocal Tariff Policy

The Executive Order sets in place a policy to rebalance global trade by imposing Reciprocal Tariffs on all imports from all trading partners (with certain caveats detailed further below). The Reciprocal Tariffs include a baseline ad valorem duty of 10% on almost all imports from all trading partners (the “**Baseline Tariff**”) except for certain country-specific rates (the “**Country-Specific Tariffs**”) (which are listed in [Annex I](#) of the Executive Order). These duties will remain in place until the President determines that the underlying conditions justifying their imposition are satisfied, resolved or mitigated.

Implementation

The Baseline Tariff will be imposed on all imports entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. Eastern Daylight Time on April 5, 2025. The Country-Specific Tariffs will come into effect for all goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. Eastern Daylight Time on April 9, 2025.

Exceptions

Certain goods are not subject to the new set of Reciprocal Tariffs. These exceptions include:

- **Steel and Aluminum Tariffs** – all articles and derivatives of steel and aluminum subject to the duties imposed pursuant to Section 232 of the Trade Expansion Act of 1962 and proclaimed in (i) Proclamation 9704 of March 8, 2018, as amended, (ii) Proclamation 9705 of March 8, 2018, as amended, (iii) Proclamation 9980 of Jan. 24, 2020, as amended, (iii) Proclamation 10895 of February 11, 2025, and (iv) Proclamation 10896 of Feb. 10, 2025
- **Automobile Tariffs** – all automobiles and automotive parts subject to the additional duties imposed pursuant to Section 232 of the Trade Expansion Act of 1962 and proclaimed in Proclamation 10908 of March 26, 2025
- **Other Exclusions** – (i) other products enumerated in [Annex II](#), including copper, pharmaceuticals, semiconductors, lumber articles, certain critical minerals and energy and energy products; (ii) all articles from a trading partner subject to the rates set forth in Column 2 of the Harmonized Tariff Schedule of the United States (HTSUS) (which contains the duty rates applied to imports from countries with which the United States does not maintain normal trade relations, such as Cuba, Russia, Belarus and North Korea); and (iii) all articles that may become subject to duties pursuant to future actions under Section 232 of the Trade Expansion Act of 1962
- **Prior Limited Exclusions** – all articles that are encompassed by 50 U.S.C. 1702(b), which provision excludes from IEEPA the authority to regulate or prohibit, directly or indirectly, (i) personal communications, (ii) donated articles, (iii) informational materials and (iv) transactions “ordinarily incident to travel” (including accompanied baggage for personal use)

Cumulative Effect

The Reciprocal Tariffs are in addition to any other duties, fees, taxes, exactions or charges applicable to such imported articles (except for Mexican and Canadian goods, discussed below).

Not Applicable to Imports from Canada or Mexico

The Reciprocal Tariffs do not apply to goods from Canada and Mexico, which remain subject to the previously announced “border emergency” tariffs. The Executive Order expressly states that “any ad valorem rate of duty on articles imported from Canada or Mexico under the terms of this order shall not apply in addition to the ad valorem rate of duty specified by the existing orders.” Those existing orders imposed ad valorem duties of 25% on products from Canada and Mexico, with exceptions for potash and Canadian energy products, which are subject to the lower additional ad valorem duty of 10%. Importantly, the exemption for USCMA-compliant goods is still in place. However, the Executive Order goes on to explain that if those prior orders are terminated or suspended, then the USMCA exemption will remain, but non-USMCA-compliant items will be subject to an ad valorem rate of duty of 12% (as part of the Reciprocal Tariffs), with exemptions for certain energy imports, potash and other articles eligible for duty-free treatment under the USCMA (that are parts or components of an article substantially finished in the United States).

Exemptions for U.S. Components

The Reciprocal Tariffs apply only to the non-U.S. content of a subject article, provided that at least 20% of the value of the subject article originates in the United States. For the purposes of Executive Order, “U.S. content” refers to the value of an article attributable to the components produced entirely, or substantially transformed in, the United States.

De Minimis Treatment Temporarily Available

Duty-free de minimis treatment (under 19 U.S.C. 1321(a)(2)(A)-(B)) will remain available for the articles subject to the Baseline Tariffs and the Country-Specific Tariffs until notification by the Secretary of Commerce to the President that adequate systems are in place to fully and expeditiously process and collect duty revenue for articles otherwise eligible for de minimis treatment.

No Effect on New China Tariffs

The Reciprocal Tariffs have no effect on a separate Executive Order issued on the same date regarding low-value imports from China, and the Reciprocal Tariffs apply equally to articles originating from both Hong Kong and Macau.

Anti-Retaliation and Good Neighbor Measures

The Executive Order includes an anti-retaliation measure that reserves the right for the President to “increase or expand in scope the duties imposed” if there are any retaliatory duties or other measures used against the United States (similar to what was included in the Executive Orders imposing the tariffs on Mexican and Canadian goods). However, the Executive Order also includes a measure that would allow the President to decrease or limit in scope the duties imposed for any trading partner that takes “significant steps to remedy non-reciprocal trade arrangements and align sufficiently with the United States on economic and national security matters.”

Possible Future Action

The Executive Order provides that if U.S. manufacturing capacity and output continue to worsen, the President reserves the right to further increase the Reciprocal Tariffs.