

# ★ BGR TARIFF UPDATE ★

April 2, 2025

## PRESIDENT TRUMP ANNOUNCES TARIFFS ON 'LIBERATION DAY'

### OVERVIEW

On April 2, 2025, President Donald Trump initiated a wave of tariff action on what he has termed 'Liberation Day', imposing a baseline 10% reciprocal tariff on all nations, with individualized higher tariffs for countries with which the U.S. has the highest trade deficits, in his largest tariff action to date. These tariffs are additive, building on existing tariffs, except for certain aspects.

This action coincides with 25% tariffs on all foreign made autos and certain auto parts, going into effect at 12:01am EDT on April 5, 2025, and 25% 'secondary tariffs' on countries that purchase Venezuelan oil, both which were previously announced by the White House.

Trump, speaking at a Rose Garden ceremony announcing these tariffs, stated "For years, hard-working American citizens were forced to sit on the sidelines as other nations got rich and powerful, much of it at our expense. But now it's our turn to prosper." Trump provided some guidance to foreign countries on actions that should be taken to remove these tariffs, stating "I say terminate your own tariffs, drop your barriers, don't manipulate your currencies."

**Tariffs are Additive:** As a reminder, much of this tariff action has been additive – meaning each action builds on the other. For China, for example, it currently faces 20% tariffs under previous Trump administration action. With today's 34% reciprocal tariff move, China now faces a 54% tariff on most products exported to the U.S.

**Legal Justification Gives President Flexibility:** Today's action, like much of Trump's tariff action, was authorized under the International Emergency Economic Powers Act (IEEPA), a law that gives the president wide leeway to act in times of emergency with little oversight, but which has never been used for tariffs before. Under IEEPA, these tariffs can only be overturned through a Joint Resolution of Disapproval in Congress, Presidential action, or a court order, though Congress and courts have historically given wide difference to the Executive Branch's emergency determinations. This tool gives the President flexibility to modify or remove these tariffs at any time, allowing for trade negotiations to resolve these tariffs. Today's IEEPA Order also contains modification authority, allowing President Trump to increase the tariff if trading partners retaliate or decrease the tariffs if trading partners take significant steps to remedy non-reciprocal trade arrangements and align with the United States on economic and national security matters.

### RECIPROCAL TARIFF BREAKDOWN LIST



**JOE LAI** • BGR PRINCIPAL, INTERNATIONAL & TRADE, COMMERCE & INFRASTRUCTURE

*"President Trump sees tariffs as part of a broader economic reset that will ultimately pay dividends for American businesses and workers. His approach is broad and unrelenting, but also open to negotiation. He is banking on long term wins, despite any short term economic pain."*

## APRIL 2 – ‘LIBERATION DAY’ – TARIFF ACTION

- **Reciprocal tariffs:** The U.S. on April 2 imposed reciprocal tariffs targeting all trading partners, imposing a minimum baseline tariff of 10%. For certain countries that have tariffs and other non-monetary trade barriers, the U.S. is targeting reciprocal tariffs higher than that baseline, intended to be about 50% of the total tariff and non-tariff trade barrier impact against U.S. exports.
- **Timeline:** The baseline 10% reciprocal tariff will go into effect on April 5. Higher tariff rates, targeting the U.S.’s largest trading partners or those with which the U.S. has the highest trade deficit, will be imposed on April 9. Those countries will be subject to the 10% baseline from April 5 through 9.
- **Carveouts:** While these tariffs are largely additive, they will not apply to steel and aluminum or autos and auto parts already subjected to Section 232 tariffs, action Trump recently undertook; nor will they apply to copper, pharmaceuticals, semiconductors, and lumber articles – all of which are being targeted by the Trump team for sectoral tariffs. It also will not apply to all articles subject to future Section 232 tariffs, nor will it apply to energy and certain minerals not available in the U.S. Additionally, these tariffs will not apply to bullion or articles subject to 50 USC 1702(b).
- **Interaction with USMCA Tariffs:** For Canada and Mexico, the existing fentanyl/migration IEEPA orders remain in effect, and are unaffected by this order. This means USMCA compliant goods will continue to see a 0% tariff, non-USMCA compliant goods will see a 25% tariff, and non-USMCA compliant energy and potash will see a 10% tariff. In the event the existing fentanyl/migration IEEPA orders are terminated, USMCA compliant goods would continue to receive preferential treatment, while non-USMCA compliant goods would be subject to a 12% reciprocal tariff.
- **Secondary Tariffs Re: Venezuela**
  - The authority to impose 25% tariffs (additive) on all imports from any country that purchases Venezuela crude goes into effect.
- **Automotive Tariffs**
  - 25% tariffs on all foreign-made autos, and on certain foreign-made auto parts, including engines, transmissions, powertrain parts, and electrical components. These tariffs go into effect at midnight, April 2.
  - The March 26 order establishing these tariffs provides a temporary reprieve for USMCA-compliant autos, that lasts only until Commerce and DHS create a system to tariff non-U.S. origin components in U.S. and USMCA produced cars.
- **America First Trade Policy Reports Creates Rationale for Today’s Tariff Action**
  - The Department of Commerce, Treasury, Homeland Security, and the Office of the U.S. Trade Representative have completed a series of reports as part of the Trump administration’s early ‘America First Trade Policy,’ including a review of PRC trade practices, and its compliance with the Phase One Trade Deal struck under the first Trump term. Many expect these findings will be wielded as leverage to compel certain desired behaviors, or incentivize trade negotiations. President Trump highlighted USTR’s Foreign Trade Barriers Report, conducted under the America First Trade Policy, which created the baseline for today’s action.

## PRE-APRIL 2 TARIFFS CURRENTLY IN EFFECT

- 25% tariffs on goods imported from Canada & Mexico that do not satisfy U.S.-Mexico-Canada Agreement (USMCA) rules of origin
  - Reduced 10% tariff on energy products from Canada that fall outside USMCA preference
  - Reduced 10% tariff on potash from Canada & Mexico that fall outside USMCA
  - Paused tariffs on goods from Canada & Mexico that claim and qualify for USMCA preference
- 20% tariff on goods imported from China
- Additional 25% tariff on imports of aluminum and steel

## ONGOING INVESTIGATIONS

USTR continues its investigations into Lumber and Copper practices. Directed to expedite these reviews, these typically-270-day Section 232 investigations could see action in the days and weeks ahead. Additionally, USTR continues its investigation of PRC Shipbuilding practices, initiated under the Biden administration.

## ADDITIONAL TARIFF PROPOSALS

Trump has recently reiterated that “we are going to be doing tariffs on pharmaceuticals, in order to bring our pharmaceutical industry back.” He has also signaled intentions to target semiconductors and agriculture with sectoral tariffs.

## FOREIGN REACTIONS

In the leadup to April 2, several countries have announced their own trade action – seeking to lower existing trade barriers levied against U.S. imports to protect against reciprocal plans, and to ease post-imposition negotiations. Israel announced on April 1 its intentions to remove lingering tariffs imposed against 2% of U.S. imports (98% had been tariff-free), while India lowered tariffs on specific sectors, including whiskey and motorcycles. India also recently eliminated its ‘equalization levy’, sometimes called the ‘Google Tax’, which taxed digital advertisements. The U.S. and India have also engaged in early multi-sector bilateral trade discussions, potentially leading to a trade agreement.

Others have sought engagement early, with little sign of breakthroughs. Trade Officials and Diplomats from the EU, UK, Japan, and South Korea have all met with the Trump White House, State Department, or Commerce Department in recent weeks, but have signaled they made no progress in altering Trump’s trade posture nor in receiving exemptions. As a result, many EU companies, particularly autos like Mercedes, are seeking to stockpile products in the U.S. before tariffs go into force, while some ROK companies, like Hyundai, are highlighting their expanding U.S. facilities.

## RESOURCES

- **RECIPROCAL TARIFF BREAKDOWN LIST**
- **FACT SHEET: [President Donald J. Trump Declares National Emergency to Increase our Competitive Edge, Protect our Sovereignty, and Strengthen our National and Economic Security](#)**
- **FACT SHEET: [President Donald J. Trump Closes De Minimis Exemptions to Combat China’s Role in America’s Synthetic Opioid Crisis](#)**
- **EXECUTIVE ORDER: [Regulating Imports With a Reciprocal Tariff to Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits](#)**
- **EXECUTIVE ORDER: [Further Amendment to Duties Addressing the Synthetic Opioid Supply Chain in the People’s Republic of China as Applied to Low-Value Imports](#)**

Country	Tariff Charges in the U.S.A. (including currency manipulation and trade barriers)	U.S.A. Discounted Reciprocal Tariffs	Country	Tariff Charges in the U.S.A. (including currency manipulation and trade barriers)	U.S.A. Discounted Reciprocal Tariffs
China	67%	34%	Peru	10%	10%
European Union	39%	20%	Nicaragua	36%	18%
Vietnam	90%	46%	Norway	30%	15%
Taiwan	64%	32%	Costa Rica	17%	10%
Japan	46%	24%	Jordan	40%	20%
India	52%	26%	Dominican Republic	10%	10%
South Korea	50%	25%	United Arab Emirates	10%	10%
Thailand	72%	36%	New Zealand	20%	10%
Switzerland	61%	31%	Argentina	10%	10%
Indonesia	64%	32%	Ecuador	12%	10%
Malaysia	47%	24%	Guatemala	10%	10%
Cambodia	97%	49%	Honduras	10%	10%
United Kingdom	10%	10%	Madagascar	93%	47%
South Africa	60%	30%	Myanmar (Burma)	88%	44%
Brazil	10%	10%	Tunisia	55%	28%
Bangladesh	74%	37%	Kazakhstan	54%	27%
Singapore	10%	10%	Serbia	74%	37%
Israel	33%	17%	Egypt	10%	10%
Philippines	34%	17%	Saudi Arabia	10%	10%
Chile	10%	10%	El Salvador	10%	10%
Australia	10%	10%	Côte d'Ivoire	41%	21%
Pakistan	58%	29%	Laos	95%	48%
Turkey	10%	10%	Botswana	74%	37%
Sri Lanka	88%	44%	Trinidad and Tobago	12%	10%
Colombia	10%	10%	Morocco	10%	10%
Papua New Guinea	15%	10%	Marshall Islands	10%	10%
Malawi	34%	17%	Saint Pierre and Miquelon	99%	50%
Liberia	10%	10%	Saint Kitts and Nevis	10%	10%
British Virgin Islands	10%	10%	Turkmenistan	10%	10%
Afghanistan	49%	10%	Grenada	10%	10%
Zimbabwe	35%	18%	Sudan	10%	10%
Benin	10%	10%	Turks and Caicos Islands	10%	10%
Barbados	10%	10%	Aruba	10%	10%
Monaco	10%	10%	Montenegro	10%	10%
Syria	81%	41%	Saint Helena	15%	10%
Uzbekistan	10%	10%	Kyrgyzstan	10%	10%
Republic of the Congo	10%	10%	Yemen	10%	10%
Djibouti	10%	10%	Saint Vincent and the Grenadines	10%	10%
French Polynesia	10%	10%	Niger	10%	10%
Cayman Islands	10%	10%	Saint Lucia	10%	10%
Kosovo	10%	10%	Nauru	59%	30%
Curaçao	10%	10%	Equatorial Guinea	25%	13%
Vanuatu	44%	22%	Iran	10%	10%
Rwanda	10%	10%	Libya	61%	31%
Sierra Leone	10%	10%	Samoa	10%	10%
Mongolia	10%	10%	Guinea	10%	10%
San Marino	10%	10%	Timor-Leste	10%	10%
Antigua and Barbuda	10%	10%	Montserrat	10%	10%
Bermuda	10%	10%	Chad	26%	13%
Eswatini (Swaziland)	10%	10%	Mali	10%	10%

Country	Tariff Charges in the U.S.A. (including currency manipulation and trade barriers)	U.S.A. Discounted Reciprocal Tariffs
Algeria	59%	30%
Oman	10%	10%
Uruguay	10%	10%
Bahamas	10%	10%
Lesotho	99%	50%
Ukraine	10%	10%
Bahrain	10%	10%
Qatar	10%	10%
Mauritius	80%	40%
Fiji	63%	32%
Iceland	10%	10%
Kenya	10%	10%
Liechtenstein	73%	37%
Guyana	76%	38%
Haiti	10%	10%
Bosnia and Herzegovina	70%	35%
Nigeria	27%	14%
Namibia	42%	21%
Brunei	47%	24%
Bolivia	20%	10%
Panama	10%	10%
Venezuela	29%	15%
North Macedonia	65%	33%
Ethiopia	10%	10%
Ghana	17%	10%
Maldives	10%	10%
Tajikistan	10%	10%
Cabo Verde	10%	10%
Burundi	10%	10%
Guadeloupe	10%	10%
Bhutan	10%	10%
Martinique	10%	10%
Tonga	10%	10%
Mauritania	10%	10%
Dominica	10%	10%
Micronesia	10%	10%
Gambia	10%	10%
French Guiana	10%	10%
Christmas Island	10%	10%
Andorra	10%	10%
Central African Republic	10%	10%
Solomon Islands	10%	10%
Mayotte	10%	10%
Anguilla	10%	10%
Cocos (Keeling) Islands	10%	10%
Eritrea	10%	10%
Cook Islands	10%	10%
South Sudan	10%	10%
Comoros	10%	10%
Kiribati	10%	10%

Country	Tariff Charges in the U.S.A. (including currency manipulation and trade barriers)	U.S.A. Discounted Reciprocal Tariffs
Moldova	61%	31%
Angola	63%	32%
Democratic Republic of the Congo	22%	11%
Jamaica	10%	10%
Mozambique	31%	16%
Paraguay	10%	10%
Zambia	33%	17%
Lebanon	10%	10%
Tanzania	10%	10%
Iraq	78%	39%
Georgia	10%	10%
Senegal	10%	10%
Azerbaijan	10%	10%
Cameroon	22%	11%
Uganda	20%	10%
Albania	10%	10%
Armenia	10%	10%
Nepal	10%	10%
Sint Maarten	10%	10%
Falkland Islands	82%	41%
Gabon	10%	10%
Kuwait	10%	10%
Togo	10%	10%
Suriname	10%	10%
Belize	10%	10%
São Tomé and Príncipe	10%	10%
Norfolk Island	58%	29%
Gibraltar	10%	10%
Tuvalu	10%	10%
British Indian Ocean Territory	10%	10%
Tokelau	10%	10%
Guinea-Bissau	10%	10%
Svalbard and Jan Mayen	10%	10%
Heard and McDonald Islands	10%	10%
Reunion	73%	37%