ICAT logistics, inc.

INDUSTRY UPDATE

President Trump Announces 90-Day 'Pause' of Reciprocal Tariffs

April 11, 2025

WHAT IS HAPPENING?

President Trump announced on Truth Social a 90-day pause on reciprocal tariffs and that existing reciprocal tariffs would be 'substantially lowered,' effective immediately.

In response to ongoing concerns about China's trade practices and lack of cooperation with global markets, **the U.S. is implementing an ever-increasing tariff on Chinese imports, effective immediately.**

At the same time, recognizing the constructive approach of over 75 countries that have engaged U.S. agencies in dialogue without retaliatory actions, **the U.S. is offering a 90-day pause and a reduced reciprocal tariff of 10% for participating nations.**

WHY IS IT HAPPENING?

China's tariff implementation is a direct response that reflects the United States' firm stance against unfair trade behavior. In contrast, the temporary pause on tariffs for other trading partners is intended to promote transparent and cooperative global trade moving forward.

WHAT DOES IT MEAN FOR YOU?

Below is a snapshot and brief explanation of the current tariffs in place.

SECTION 201

Countries: All, except 'developing' countries
Products: Solar cells and panels
Duty rates: 30%
Exemptions: None

SECTION 301

Countries: China and Hong Kong
Products: Most, but not all
Duty rates: 7.5% to 100% - most are 7.5% to 25%, certain products are 50% (solar cells, silicon, wafers for electronics, surgical gloves, integrated circuits), and some are 100% (electric cars and syringes)
Exemptions: Approximately 156 commodity-based exemptions still exist, based on HTS number

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SECTION 232

Countries: ALL
Products: Raw and finished forms of steel and aluminum, passenger vehicles/light trucks and some parts, and an ever-expanding list of derivative products
Duty rates: 25%
Exemptions: Melted/poured in the U.S., even if the final product is manufactured elsewhere
Entry documents MUST include a mill certificate
Future considerations: NEW 232 investigations are underway on copper and timber/lumber and derivative wood products (furniture, cabinetry and paper)

IEEPA (Fentanyl)

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Countries: Canada, Mexico and China/Hong Kong
Products: ALL
Duty rates: 25% for CA/MX, 20% for CN/HK
Exemptions: Donations, informational materials, shipments with a valid USMCA certificate

R-IEEPA

Countries: ALL
Products: ALL
Duty rates: 10% baseline, individual country-assigned rates
Exemptions: Canada/Mexico subject to IEEPA

- Export prior to 4/5 exempts from all duty, export prior to 4/9 exempts from country-specific rates
- Donations
- Informational Materials
- Annex 2 HTS numbers (minerals, chemicals, drugs, wood, metals not steel/aluminum, diodes, integrated circuits)
- Any shipment subject to Section 232 duties
- Partial exemption for goods with >20% US content

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V-IEEPA

Countries: Brazil, China, Cuba, India, Spain, Turkey (countries that purchase Venezuelan oil)
Products: ALL
Duty Rates: Not published yet
Exemptions: Not published yet
Effective Date: Unknown

Further important details regarding these tariffs:

NONE of the above remove any other applicable antidumping or countervailing duty.

For the R-IEEPA, the applicability of the tariff is based on the departure from the last **FOREIGN LOAD PORT.** Ports of call for vessels don't count unless the container is discharged.

FOR AIR – The departure date would equal the 'wheels up' date, or when the manifest is in the Customs AMS system.

FOR OCEAN – The departure from the last load port for the vessel that arrives at the U.S. port of destination.

FOR RAIL – When the train crossed the border into the U.S.

Information continues to change on a daily basis. We are diligently monitoring this ongoing situation and will provide important updates that could have an impact on your business. If you have any immediate questions or concerns, please reach out to your ICAT Logistics representative or office for further information.