

U.S. and China Agree to Reduce Reciprocal Tariffs for 90 Days

Article

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We previously reported on the reciprocal tariffs on ALL countries issued by President Trump in early April. Over the weekend, the U.S. and China agreed to temporarily reduce tariffs amid a looming recession triggered by an effective embargo.

The reciprocal tariffs, previously set at 125 percent, will be lowered to 10 percent for a 90-day period to allow room for negotiations. Both sides will take these actions by May 14, 2025. It is important to note that this agreement applies *only* to reciprocal tariffs. Other tariff measures, including section 301 (China), section 232 (automobiles), IEEPA (fentanyl-related), and others continue to remain fully in effect.

What Does This Mean for Businesses?

From a strategic standpoint, U.S. companies—and those in China—should note that the 90-day pause is merely temporary respite. As a result, businesses face continued uncertainty and should continue to familiarize themselves with effective strategies to avoid, mitigate, and even recover tariffs. However, the temporary tariff reduction should provide them with an opportunity to front-load their inventory ahead of the pause's expiration.

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