

Trump Reduces Global Reciprocal Tariffs but Increases Them for China

April 11, 2025

On April 9, 2025, President Trump signed an Executive Order that:

- Increases the reciprocal tariff announced last week for Chinese products (including products of Hong Kong and Macau) to 125%, effective as of 12:01 a.m. EDT on April 10, 2025;
- Pauses the high reciprocal tariffs on other specific countries, leaving those countries (except China) with a 10% tariff rate through July 9, 2025;
- Substantially increases fees on the entry of *de minimis* low-value shipments from China; and
- Maintains the exemption from tariffs for USMCA-compliant goods from Canada and Mexico.

Background

On April 2, 2025, the President announced the imposition of reciprocal tariffs on goods imported into the United States from a broad range of countries at an initial 10% rate. Higher rates for specific countries were identified in Annex I of the April 2 Executive Order, including a 34% duty rate for China. These tariffs went into effect on April 5, 2025, and were then scheduled to increase for a subset of countries on April 9, 2025 according to Annex III of the April 2 Executive Order.

In reaction to China's retaliatory actions, on April 8, 2025, the President issued another Executive Order increasing the tariff rate on imports from China to 84%, and increasing fees on low-value, *de minimis* shipments from China to the United States. As China's retaliations continued, on April 9, 2025, President Trump issued an

Authors

Timothy C. Brightbill
Partner

202.719.3138

tbrightbill@wiley.law

Hon. Nazak Nikakhtar
Partner

202.719.3380

nnikakhtar@wiley.law

Greta M. Peisch
Partner

202.719.3378

gpeisch@wiley.law

Maureen E. Thorson
Partner

202.719.7272

mthorson@wiley.law

Nova J. Daly
Senior Public Policy Advisor
202.719.3282

ndaly@wiley.law

Matt Lapin
Special Counsel

202.719.3435

mlapin@wiley.law

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additional Executive Order further increasing the tariff rate on imports from China to 125% as well as increasing duties and fees imposed on low-value shipments from China.

With respect to other countries, the President's April 9 Executive Order instituted a 90-day pause on all reciprocal tariff rates on countries that were higher than 10% – bringing them all to a uniform 10%. This was done in recognition of the fact that these countries refrained from taking retaliatory measures against the United States.

The April 8 and April 9 Executive Orders did not otherwise affect the April 2 reciprocal tariff Executive Order and left all preexisting exclusions from those duties in effect.

Key Takeaways

- USMCA-compliant goods from Canada/Mexico remain unaffected by any reciprocal tariffs. However, non-USMCA-compliant goods of those countries are subject to preexisting tariffs of 25% (or 10% for energy products and potash from Canada).
- No reciprocal tariffs apply to goods, including Chinese goods, classified in tariff provisions that are subject to preexisting Section 232 duties on steel/aluminum and automotive goods.
- No reciprocal tariffs apply to goods, including Chinese goods, classified in tariff provisions listed in Annex II to the April 2 Executive Order.
- Regardless of whether they are subject to the reciprocal tariffs, Chinese goods remain subject to the February 4 and March 4 20% fentanyl-related tariffs imposed on China, Section 301 tariffs, and any standard import duties applicable to individual tariff codes.
- The grace-period exemptions from the reciprocal tariffs remain effective:
 - Chinese goods that were loaded onto a vessel at the port of loading and in transit on their final mode of transit to the United States as of 12:01 EDT on April 9 are not subject to the 125% tariff, so long as they arrive in the United States by May 27, 2025.
 - However, goods of all affected countries that were loaded onto a vessel at the port of loading and in transit on their final mode of transit to the United States after 12:01 EDT on April 5, but before the time specified on April 9, will be subject to a 10% reciprocal tariff.

The April 9, 2025 Executive Order also makes certain changes with respect to the *de minimis* treatment of low-value shipments from China. Current U.S. law authorizes duty exemptions, as well as fewer reporting requirements, for certain import shipments with an aggregate value of \$800 or less. The exemption is most typically used in the context of direct-to-consumer e-commerce shipments. Last week, in an Executive Order separate from the reciprocal tariffs order, President Trump required such shipments from China/Hong Kong to pay all applicable duties that would affect a higher value shipment, effective May 2, 2025. The April 9 Order increases the tariff rates for such goods that are sent through the international postal network to a tariff of 120% of product value or \$100 per postal item until June 1, 2025, when this amount will rise to \$200 per postal item.

We further note that China has responded to the U.S. action through various measures, including initially raising duties on all U.S. goods to 84% (with a subsequent increase to 125% announced on April 11) as well as a series of export controls measures restricting exports of critical minerals and materials to the United States.

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