

ICC Global Trade Update

15 April 2025

DISCLAIMER – Given the fast-moving trade policy environment, please ensure that latest developments have been taken into account in your operations and communications.

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U.S. TARIFFS – STATE OF PLAY

Following President Trump's 20 January 2025 inauguration day announcement that the U.S. would pursue an [America First Trade Policy](#), the U.S. has taken swift trade action. We examine the possible implications, practical considerations for businesses, and key dates to watch.

U.S. tariffs on Canada and Mexico

One of the earliest measures taken by the U.S. administration was to implement a 25% tariff on imports from [Mexico and Canada](#), with a lower 10% rate applied to certain Canadian energy products. After delaying implementation of these tariffs several times, the U.S. has exempted products qualifying under the rules of origin of the U.S.-Mexico-Canada Agreement (USMCA) for imports into the United States.

Sectoral tariffs & fees

Currently, the U.S. administration has two sectoral tariff measures in place:

- **Steel and aluminium tariffs:** On 10 February 2025, President Trump issued two proclamations: [Adjusting Imports of Aluminum into the United States](#) and [Adjusting Imports of Steel into the United States](#). These actions modified tariffs which were first

introduced under the first Trump administration by removing previous country and product-level exclusions and raising the tariff on aluminium from 10 to 25%. The proclamations also expanded the coverage of these products to downstream steel and aluminium derivative products, as well as introduced certain tariff exemptions for products containing U.S.-origin content. These tariffs have been effective from 15 March 2025.

- **Automotive and automotive parts tariffs:** On 26 March 2025, President Trump issued a proclamation – [Adjusting Imports of Automobiles and Automobile Parts into the United States](#) which introduced a 25% tariff on cars and their parts. Certain exemptions on these tariffs were allowed for products which comply with rules of origin under USMCA and mitigations for products which include parts include U.S.-origin materials.

The U.S. administration is also considering imposing tariffs on:

- **Semiconductor, pharmaceutical and critical mineral tariffs:** On 14-15 April 2025, the U.S administration announced the launch of three new Section 232 investigations into [pharmaceutical](#), [semiconductor](#) and [critical mineral](#) products. Public comments are due 21 days following the publication in the Federal Register (approx. 7 April 2025).
- **Copper and timber tariffs:** There are also Section 232 investigations which were launched on 10 March 2025 covering both copper and timber products.

Other potential or ongoing U.S. trade actions under consideration include:

- **Shipping:** On 21 February 2025, USTR announced [proposals](#) to impose ‘service fees’ on ships and ‘operators’ for ships under Chinese ownership or the vessels built in China following a Section 301 investigation. The deadline for submitting public comments was 24 March, with no further updates at the time of writing.
- **Digital Services Taxes:** Between 2019-2021, USTR conducted Section 301 investigations into the digital services tax regimes of Austria, Brazil, Czechia, European Union, France, India, Indonesia, Italy, Spain, Turkey, and the United Kingdom. While those investigations were terminated, they maintained a monitoring function which is available to the U.S. administration should they wish to restart the investigations.

“Reciprocal” tariffs & global 10% baseline tariffs

- On April 2nd, U.S. President Donald Trump announced that the U.S. would introduce a baseline 10% tariff on all U.S. imports under the policy titled, [Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices that Contribute to Large and Persistent Annual United States Goods Trade Deficits](#).
- These tariffs took effect on 5 April 2025 with additional country-specific “reciprocal” tariffs introduced on 9 April 2025.
- These new tariffs do not apply to certain product categories, including those already subject to the sectoral tariffs mentioned above, as well as semiconductors, timber, copper, and pharmaceutical products.
- While the justification for “reciprocal” tariffs has been set out as the U.S.’s trading partners have higher tariffs and non-tariff barriers than the U.S., the tariffs themselves have been [calculated](#) on the basis of whether a country has a trade deficit (in goods trade) only.



Read ICC’s [statement](#) made on 2 April in response to the “reciprocal” tariff plan.

90-day pause

- While the global 10% baseline tariff has now gone into effect, on 9 April, President Trump announced a 90-day pause on the country-specific “reciprocal” tariffs.
- The stated aim of the 90-day pause is to allow time for the United States to negotiate with impacted trading partners.
- This 90-day pause was not extended to products of Chinese origin (more on this below). This pause is scheduled to end on 8 July 2025.
- Subsequently, on 11 April, U.S. Customs and Border Protection issued a new [exemption list](#) covering a range of IT-related products, including computers, memory devices, smartphones, and servers.

Possible future sectoral tariffs

- Recent public statements by President Donald Trump (on [Truth Social](#)), U.S. Trade Representative Greer, and Commerce Secretary Howard Lutnick have confirmed the U.S. administration's intention to launch Section 232 investigations (similar to current tariffs on steel and aluminium) on pharmaceutical and semiconductor products.
- Section 232 investigations into timber and copper products were launched on 10 March 2025.

U.S.-China trade

- **Tariffs** on Chinese-origin products have been a focus of the new U.S. administration and have escalated considerably. As of now, the United States is imposing a 145% tariff on Chinese goods, while China has responded with a 125% tariff on U.S. goods.
 - This 125% tariff rate includes the 20% tariff under the International Emergency Economic Powers Act (IEEPA) imposed by the U.S. in response to concerns over fentanyl, as well as additional U.S. measures in response to Chinese retaliation.
 - Where previous Section 301 tariffs have already been applied to certain products, any new tariffs introduced will be on top of those existing ones – that is, the total tariff will be cumulative.
 - Chinese-origin products are not included in the 90-day pause on “reciprocal” tariffs, with the full tariff measures taking effect from 9 April 2025.
- The Trump Administration has also raised the **de minimis** threshold for Chinese imports. Previously, products shipped by post valued under US\$ 800 were exempt from paying customs duties up to 30% of their value or US\$ 25 per item (increasing to US\$50 after 1 June 2025). This threshold has now been increased to 90% of their value or US\$75 per item (rising to US\$150 after 1 June 2025).

Responses from U.S. trading partners

- The United States' trading partners have adopted a range of responses in response to the significant increase in tariffs.
- Canada [responded](#) by imposing a 25% tariff on selected American steel, aluminium, and other products on 13 March 2025, in retaliation for the United States' steel and aluminium tariffs. This was expanded on 9 April 2025 following the introduction of U.S. automotive tariffs: it imposed 25% tariffs on vehicles imported from the United States that do not

comply with USMCA rules of origin, as well as 25% tariffs on the non-Canadian and non-Mexican content of USMCA-compliant vehicles imported into Canada from the U.S..

- The EU [adopted](#) countermeasures to the U.S. tariffs on steel and aluminium on 14 April, which are due to come into effect in phases starting on 16 May 2025 covering a wide-range of U.S. goods into the EU. However, following the announcement of the 90-day pause, the EU has [suspended](#) their tariffs until 14 July 2025 citing their willingness to find a negotiated solution.
- At the ASEAN Trade Ministers meeting on 10 April, ASEAN members (Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam) [committed](#) to not take any retaliatory measures in response to U.S. tariffs.
- China and Canada have launched disputes at the WTO, which are ongoing.

Practical business considerations

- The level of trade uncertainty and tariffs are at a historic high since 1945. While this uncertainty will certainly impact many businesses, there are proactive steps businesses can take now to mitigate some of the uncertainty.
- Businesses will need to pay increased attention to the origin of their products exported to the U.S., whether they have the necessary customs approvals in place for U.S. imports and establish whether there is U.S. content to imported products to see if some of the tariff cost can be offset.
- Businesses should remain vigilant to potential changes to U.S. tariff rates and retaliation from trading partners.

FREE TRADE AGREEMENTS

Council of the EU approves EU-Singapore Digital Trade Agreement

- On 14 April, the representatives of EU Member States [adopted](#) a decision supporting the signature of the EU-Singapore Digital Trade Agreement, marking another step closer to seeing the agreement enter into force.
- Once the EU completes its internal processes, including securing the consent of the European Parliament, the agreement will be able to be signed by both the EU and Singapore and ratified.
- Once operational, the agreement will support businesses by facilitating the flow of trusted data and tackle barriers to digital trade.

EU and UAE launch FTA negotiations

- On 10 April, the EU and UAE agreed to launch FTA negotiations during a meeting between President Ursula von der Leyen and President HH Sheikh Mohamed bin Zayed Al Nahyan.
- The EU had previously been negotiating an FTA with the Gulf Cooperation Council (of which the UAE is a member) but negotiations were suspended in 2008.

EFTA and Ukraine sign modernised FTA

- On 8 April, the European Free Trade Area (Norway, Switzerland, Iceland and Liechtenstein) [signed](#) a modernised FTA.
- The revised FTA covers new market access commitments for goods and introduced new chapters on modern trade issues such as trade and sustainable development and e-commerce.
- The agreement must now be ratified by all parties before it can enter into force.

UNITED KINGDOM

Unilateral duty suspensions

- The UK government has announced the outcome of its 2024 unilateral duty suspension scheme, covering 89 products across sectors such as food and construction.
- The suspensions were designed to tackle inflationary pressures on essential products. Impacted businesses will be able to benefit from duty suspensions starting 27 April 2025, with the measures set to remain in place until 30 June 2027.
- The full list of products can be found [here](#).

WORLD TRADE ORGANIZATION

WTO turns 30

- On 10 April, the WTO marked its [30th anniversary](#) in Geneva, Switzerland.
- The WTO is facing unprecedented challenge to the rules-based multilateral trading system – most notably as a result of the new US tariff policy and continued paralysis of the dispute settlement system's appellate body. Still, it's important to remember that approximately 74% of global trade continues to flow under Most Favoured Nation (MFN) terms, underscoring the continued relevance of WTO rules.

Revitalizing the multilateral trading system

- Several WTO Members have made strong statements reconfirming their commitment to the WTO and its reform.
- A [group of 40 WTO Members](#) came together to “recommit to pursue reforms so that the WTO will continue to respond to the needs of its diverse Membership, reinforce its relevance by responding to the challenges it faces and facilitating free and fair trade, and uphold the principles of inclusivity and cooperation, including by enhancing trade capacities.”
- Other WTO Members like the [EU](#) made separate statements also highlighting the importance of WTO reform.
- The next WTO Ministerial Conference in March 2026 in Cameroon will be an important moment for the future of the organisation.

ICC has been actively calling for the revitalisation of the WTO and the multilateral trading system.

“What we’re saying is use this opportunity of the shock that the US announcement has created to recalibrate...and revitalise the multilateral trading system.” – John W.H. Denton, AO, Secretary General, ICC



We encourage ICC National Committees to get in touch to explore local outreach opportunities.

Regular work of the WTO continues

Meanwhile, the WTO continues its regular work, with WTO Members recently holding two important meetings on trade and environment, including:

- [Trade and Environment Committee](#): WTO Members discussed two new proposals by South Korea on [Key Considerations for Trade-related Climate Measures \(TrCMs\): Suggested approaches toward a sustainable future](#) and the least developed countries (LDCs) on [Perspectives on LDC environment-friendly trade and trade-related climate challenges](#).

- [Plastics Dialogue](#): Participating WTO Members are working on possible outcomes for the next WTO Ministerial Conference including on transparency of plastics trade flows, supporting best practices in trade-related plastics measures, access to technologies and services and aligning WTO outcomes with the United Nations' intergovernmental committee on plastics negotiations.

INTERNATIONAL MARITIME ORGANIZATION

- Following several years of negotiation, the IMO has [agreed](#) draft measures as part of the IMO Net-zero Framework to establish a legally binding framework to reduce shipping emissions through new fuel standard for ships and a global pricing mechanism for emissions. The measures will apply to ocean-going vessels over 5,000 gross tonnage.
- The IMO Net-Zero Framework will be included in a new Chapter 5 of Annex VI (Prevention of air pollution from ships) to the International Convention for the Prevention of Pollution from Ships ([MARPOL](#)). The measures are set to be adopted in October 2025 and enter-into-force by 2027.

THE EXTRA EXPLAINER – US LEGAL AUTHORITIES

The new wave of U.S. tariffs are based on three trade laws. Here's what they are—and how they are being used today:

- **IEEPA (International Emergency Economic Powers Act, 1977)**. This law grants the U.S. President broad authority to regulate international commerce in response to extraordinary threats originating outside the United States. It is typically invoked during national emergencies and allows for measures such as sanctions, import or export restrictions, asset freezes, or tariffs. It is now being used to justify a 10% baseline tariff on nearly all U.S. imports, as well as a 20% tariff on Chinese goods linked to fentanyl concerns. It also supports country-specific “reciprocal” tariffs—as high as 145% on Chinese goods—that began on 9 April 2025.
- **Section 301 (Trade Act of 1974)**. This tool allows the U.S. Trade Representative (USTR) to respond to unfair trade practices by foreign governments, such as intellectual property theft or barriers to U.S. exports. Section 301 is the basis for the tariffs first imposed on Chinese products in 2018, which remain in place today and stack on top of the new tariffs introduced in 2025.

- **Section 232 (Trade Expansion Act of 1962).** Section 232 investigations are conducted by the U.S. Department of Commerce to determine whether certain imports pose a threat to national security. It is currently being used to maintain existing steel and aluminum tariffs and to launch new investigations—including a probe into semiconductor imports announced in April 2025.

ICC IN THE NEWS

- 8 April 2025, CNN - [ICC Secretary General warns of serious ramifications from tariff retaliation](#)
- 11 April 2025, Wall Street Journal - [Tariff Uncertainty Unlikely to Clear Soon, International Chamber of Commerce Chief Says](#)
- Please see [here](#) for full ICC media coverage.

WHAT WE'RE READING AND WATCHING

- The Global Trade Alert has been doing a fantastic job of tracking the impact of the current US trade developments. Their latest briefing looks at [Redirecting Chinese Exports from the USA: Evidence on Trade Deflection from the First U.S.-China Trade War](#).
- If you're interested in learning more about what the WTO means for SMEs, watch George Riddell's recent session on [Understanding the Multilateral Trading System](#), held during Connect Americas SMExport Week, co-organised by ICC and IADB Connect Americas.

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