

ICC Global Trade Update

12 June 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 LATEST

U.S.-China trade talks

- US and Chinese officials ended two days of trade negotiations (8-9 June), announcing that they had reached agreement on a framework and implementation plan but still needed final approval from respective leaders.
- Commerce Secretary Howard Lutnick told reporters that "the plan should end the disagreements between the two sides over restrictions on rare earths and advanced technology". Chief Chinese negotiator Vice Commerce Minister Li Chenggang said "the two sides have, in principle, reached a framework for implementing the consensus reached by the two heads of state during the phone call on June 5th and the consensus reached at the Geneva meeting". The text of the agreement has yet to be made public.

U.S. reciprocal tariffs

- According to press reports, the U.S. Trade Representative has written to trading partners asking for their best offers ahead of the 9 July expiration of the temporary suspension of the so-called 'Liberation Day Tariffs'. These tariffs remain in place for now, as a U.S. court ruling invalidating them has been stayed pending appeal.

U.S. doubles tariffs on steel and aluminium

- On June 3, 2025, President Trump issued a [Proclamation](#), which raised the tariff level of the imports of steel and aluminium (including certain derivatives) under Section 232 from 25% to 50% effective from 4 June 2025. The measure also expands the coverage of the steel and aluminium tariffs to new derivative products, with new lists published by U.S. Customs and Border Protection (CBP):
 - a) [Steel articles and steel derivative steel articles list](#)
 - b) [Aluminium articles and aluminium derivative articles list](#)
- For new derivatives outside of Chapter 76 (aluminium) and Chapter 73 (steel), duties are to be based on the value of the metal content. The only exception is the UK, where the Section 232 tariffs remain at 25% pending the outcome of the UK-U.S. trade negotiations, which have not yet formally entered into force in the U.S. or UK.

New guidance on tariff stacking

- U.S. Customs has issued additional guidance on the so-called [tariff stacking](#), whereby businesses must apply the tariffs in the following order to determine which duty rate applies:
 1. If a product is subject to Section 232 Auto/Auto Parts tariffs, then it is ***not*** subject to:
 - Section 232 Steel/Aluminium tariffs, or
 - International Economic Emergency Powers Act (IEEPA) tariffs on Canada and Mexico
 2. If ***not*** subject to Section 232 Auto/Auto Parts, determine if the product is subject to Section 232 Steel/Aluminium:
 - If subject to both Section 232 Steel AND Aluminium, duties are due on the value of the respective metal content.
 - If subject to Section 232 Steel and/or Aluminium, the product is ***not*** subject to IEEPA Canada and Mexico.

3. If not subject to Section 232 Auto/Auto Parts or Section 232 Steel and/or Aluminium, then the product is subject to IEEPA tariffs on Canada and Mexico with exemptions for products that qualify under the US-Mexico-Canada Agreement (USMCA).

New comment period on Section 301 Ships Action

- USTR has opened a [public comment process](#) on proposed modifications to the Section 301 Ships Action. The proposed modifications cover:
 - For Annex III: providing for a targeted coverage provision pertaining to vessels in the Maritime Security Program and changing the basis of the fee to net tons.
 - For Annex IV: eliminating the term providing for suspension of export licenses relating to export of liquid natural gas. USTR further seeks comments on changing certain data reporting requirements.
- The deadline for submitting comments is 7 July 2025.

OECD

OECD Ministerial Council Meeting 2025

- OECD Ministers met in Paris on 3-4 June under the theme “Leading the Way towards Resilient, Inclusive, and Sustainable Prosperity through Rules-Based Trade, Investment and Innovation”.
- The Chair’s [statement](#) issued at the end of the two days highlighted the work that the OECD has done on trade and investment issues, including supporting OECD members to build resilient supply chains and the supportive role it plays providing evidence and fact-based policy analysis for ongoing WTO negotiations.
- Ahead of the OECD Ministerial Council meeting, new OECD forecasts [warned](#) that global economic growth is set to slow from 3.3% in 2024 to 2.9% in 2025 and 2026, weighed down by rising trade barriers, geopolitical uncertainty, and weak investment.

EUROPEAN UNION'S CARBON BORDER ADJUSTMENT MECHANISM

Legislative simplification efforts

- As part of its broader simplification work through the so-called 'Omnibus I' legislative process, the EU has been advancing simplifications to the EU's Carbon Border Adjustment Mechanism (CBAM).
- Both the European Parliament and Council of the EU have now adopted their negotiating positions on the proposed simplifications.
- The simplification measures include:
 - Raising the threshold for coverage to be set at a single mass-based threshold of 50 tonnes of imported goods per importer per year, replacing the previous threshold value of €150 per consignment.
 - Several streamlining measures applicable to all importers of CBAM goods, covering authorisation procedures, data collection processes, calculation of embedded emissions, emission verification rules, and financial liabilities.
- However, businesses should be aware that the European Parliament's position includes strengthened anti-abuse provisions contained within the CBAM regulation.

Next steps in the legislative process

- The Council of the EU and European Parliament will now enter into negotiations to agree the final text of the simplification measures before it can be formally adopted.
- Meanwhile, the European Commission is continuing its work on the broader review of the CBAM regulation and continues to progress several important implementing regulations crucial to the future operation of the regime.

Business compliance and registration

- Several National Competent Authorities (the designated bodies overseeing EU CBAM in each of Member State) have opened the process for businesses to register as Authorised CBAM Declarants.
- Impacted businesses should check and start this process as early as possible to avoid delays when the regime enters its definitive period on 1 January 2026.

Cooperation with the United Kingdom

- As part of the broader reset in UK-EU relations, the UK and EU have committed to working together to link their respective Emissions Trading Systems. This would allow for mutual recognition of carbon allowances, exempting UK- and EU-origin products from CBAM procedures for bilateral trade. This would cover electricity trading and renewable energy projects in the North Sea, which would also benefit from increased cooperation.
- Separately, the UK continues to develop its own CBAM scheme for imports from the rest of the world.

WORLD TRADE ORGANIZATION

WTO mini-Ministerial meeting

- On the margins of the OECD meetings, the Australian Trade Minister Don Farrell hosted a “WTO mini-Ministerial” meeting. WTO DG Ngozi Okonjo-Iweala participated as did senior representatives from the U.S., India, Australia, New Zealand, Singapore, UK, Switzerland, Barbados among others.

Cairns Group meeting

- On 2 June, the Cairns Group (a coalition of WTO Members favouring agricultural trade liberalisation) met to discuss the impact of tariffs on agricultural trade and the prospects for progress in WTO agriculture negotiations. The Group released a [statement](#) calling for renewed focus on negotiations at the WTO.
- The Cairns Group includes Argentina, Australia, Brazil, Canada, Chile, Colombia, Costa Rica, Malaysia, New Zealand, Paraguay, Peru, Philippines, South Africa, Thailand, Ukraine, Uruguay, Vietnam.

Fisheries Subsidies Agreement

- Over the past two weeks, the Fisheries Subsidies Agreement has inched closer to entry into force, with Malawi and Nicaragua becoming the 100th and 101st WTO Members respectively to ratify the agreement. The agreement requires acceptance by two-thirds of the WTO Membership, i.e., 111 ratifications in total, so only nine more are now needed for it to take effect.
- The successful entry-into-force of the WTO Fisheries Subsidies Agreement ahead of the next WTO Ministerial Conference is seen as a bellwether for the ability of the WTO to successfully conclude international trade negotiations.

ICC INSIGHTS & PUBLICATIONS

- [Data Flows in Supply Chains: Practical Realities and Policy Implications](#), 11 June 2025
- [ICC proposal to reduce tax challenges of cross-border teleworking](#), 6 June 2025
- [Why services can't be realistically be tariffed and shouldn't be](#), 4 June 2025

ICC IN THE NEWS

- [ICC warns trade uncertainty is undermining global business confidence](#), 2 June 2025
- [Here's What Global Business Leaders Should Do As Trump's Tariffs Face Legal Fight](#), Forbes Breaking News, 30 May 2025
- [Does Trump's 'Art Of The Deal' Work On Global Trade Talks?: ICC Director Reacts To EU Tariff Delay](#), Forbes Breaking News, 27 May 2025

WHAT WE'RE READING

- The Federal Reserve Bank of New York has released an update to their [Global Supply Chain Pressure Index](#) and new analysis titled [Are Businesses Absorbing the Tariffs or Passing Them on to Their Customers?](#)
- The European Commission has launched a new import surveillance tool aimed at protecting the EU from sudden surges in imports. The [latest dashboard](#) of results has been published.
- The [OECD Supply Chain Resilience Review](#) emphasises the importance of effective risk navigation and offers evidence-based insights to help strengthen supply chain resilience in the face of multiple complex global challenges without resorting to protectionism.

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