

Alert | International Trade



March 2025

Tariffs Update: Imposed, Paused, Changed, and Reciprocal Tariffs involving the US, Canada, China, and Mexico (As of March 7)

Go-To Guide

- President Donald Trump imposed new tariffs, effective March 4, 2025, including a 25% duty on imports from Canada and Mexico, with Canadian energy resources subject to a reduced 10% tariff. Tariffs on Chinese imports were raised from 10% to 20%.
- Tariffs on products from Mexico and Canada, eligible under USMCA, are excluded from the additional tariffs. Approximately 50% of the products of Mexico and 38% of Canadian products qualify under USMCA.
- USMCA covered products include automobiles and parts and produce. While some potash, used in fertilizer, qualifies under USMCA, other potash, which is not qualifying, will carry a 10% tariff rather than 25%.
- Starting March 12, global steel and aluminum imports will face an additional 25% tariff.
- Imports that qualify for de minimis entry from Canada, Mexico, and China are temporarily exempt from the new tariffs.

- Canada and China have announced retaliation plans, though it is unclear whether Mexico will follow.
- Trump announced that reciprocal tariffs are going into effect on April 2, 2025.
- Importers should consider duty mitigation strategies to manage increased costs.

On March 4, 2025, the Trump administration implemented new tariffs on Canada, Mexico, and China. These measures were initially announced in a series of executive orders and have been postponed since Feb. 4, 2025. See our previous [GT Alert](#) for more information. The executive orders add an additional 25% duty on imports from Canada and Mexico (except for Canadian energy resources and minerals, which will instead face a 10% tariff and USMCA qualifying products of Mexico and Canada which remain duty free until April 2, 2025), and they increase the 10% tariff on all imports from China to 20%. This GT Alert provides an overview of the different measures.

Please note the Trump administration's trade policy is fluid and the analysis below is as of March 7, 2025.

Canada

Effective March 4, 2025, 12:01 a.m. EST, all imports from Canada will have a 25% tariff, with the exception of USMCA qualifying merchandise and “energy or energy resources” or “critical minerals” which will have a 10% tariff. The new tariffs will apply in addition to any other duties and fees applicable to the covered imports.

The covered HTSUS provisions that would qualify as “energy or energy resources” or as “critical minerals” have not yet been released. The [executive order](#) defines “energy or energy resources” based on a Jan. 20, 2025, [National Energy Emergency executive order](#), which states, “The term ‘energy’ or ‘energy resources’ means crude oil, natural gas, lease condensates, natural gas liquids, refined petroleum products, uranium, coal, biofuels, geothermal heat, the kinetic movement of flowing water, and critical minerals.”

Mexico

Similarly, beginning 12:01 a.m. EST March 4, 2025, all imports from Mexico will have an additional 25% tariff in addition to any other duties and fees applicable to the covered imports with the exception of USMCA qualifying merchandise. The [Mexico tariff order](#) is practically verbatim to the Canada tariff order, minus the reduced energy tariffs, meaning any energy imports from Mexico to the United States are subject to the full 25% tariff.

China

President Donald Trump [increased the tariff rate](#) on all imports from China from 10% to 20% effective March 4, 2025.

Steel and Aluminum

Twenty-five percent additional tariffs on certain [steel](#) and [aluminum](#) products will take effect March 12, 2025, according to two Federal Register notices released by the U.S. Department of Commerce implementing Trump's Feb. 10, 2025, proclamation announcing 25% tariffs on global steel and aluminum imports. See our [previous GT Alert on these tariffs](#). Importers should consider reviewing the product lists to determine if these new tariffs apply to their products. Tariffs on derivative products outside of Chapters

73 and 76 will take effect “upon public notification of the Secretary of Commerce.” Those tariffs will apply only to the derivatives’ aluminum or steel content. The Department of Commerce has not yet announced a plan for implementation.

Status of De Minimis Entry

Pursuant to an amended executive order issued March 2, 2025, imports from Canada, Mexico, and China that qualify for de minimis entry are temporarily exempt from the new tariffs.

Key Takeaways

According to U.S. Commerce Secretary Howard Lutnick, these tariffs are a “reset” after Canada, China, and Mexico “have used us” for illegal fentanyl trafficking without cracking down.

Canada and China have already announced retaliation plans. Mexico’s retaliation plan may be announced March 9, 2025.

On March 4, 2025, Trump also announced that on April 2 global reciprocal tariffs will be implemented, as well 25% additional tariffs on lumber and copper.

Next Steps

There are numerous duty mitigation and supply chain strategies importers can consider to reduce the impact of increased costs, including reviewing valuation and origin of imported merchandise. Duty mitigation strategies also include using the “first sale” in a multi-tier transaction when set up correctly. Importers should also consider taking all possible legal deductions from the declared value, such as foreign inland and international freight and royalty payments and using drawback for duty refunds and bonded warehouses or foreign trade zones for duty deferral.

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