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Trade Action Update: Reciprocal Tariffs Paused for 90 Days; Ten Percent Tariff on All Countries Remains in Effect; China Tariffs Increased

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The increased, country-specific tariffs imposed under President Trump's Reciprocal Tariff Executive Order (EO) went into effect on April 9, 2025, but were paused for 90 days shortly thereafter. A ten percent tariff now remains in effect for all countries. At the same time, the 25 percent tariff on non-USMCA goods from Canada and Mexico was lowered to ten percent as well. China, however, will receive an increase in tariffs to 145 percent in response to China's implementation of 84 percent retaliatory tariffs on U.S. imports. The European Union has also announced countermeasures in response to the Section 232 Steel and Aluminum action, for which implementation has been paused for 90 days pending negotiations. U.S. companies should continue to monitor this fluid situation in order to make supply-chain-related decisions and mitigate trade-related risks.

Ten Percent Tariff on All Countries Implemented, Higher Reciprocal Tariffs Paused, Except for China

The same day that higher country-specific tariffs were implemented, President Trump paused the higher tariffs. He, however, kept in place the ten percent universal tariff that was implemented on April 5, 2025. In addition, he lowered the 25 percent tariff on Canada and Mexico to ten percent. Section 232 tariffs, however, were not changed.

China

China announced that exports from the U.S. entering China will face an 84 percent tariff, effective immediately. In response to this action, President Trump raised the effective tariff rate, including the reciprocal tariff and fentanyl related tariff, to 145 percent on all Chinese goods entering the U.S. Assuming the 125 percent reciprocal tariff remains implemented as part of the Reciprocal Tariff Executive Order, as discussed in our [alert regarding Reciprocal Tariff Executive Order](#), the 125 percent tariff does not apply to all goods, such as those listed in Annexes II and III to the EO.

European Union

The European Union (EU) recently announced plans to implement retaliatory measures. These were to be effective April 15, 2025, but European Commission President Ursula von der Leyen announced such measures would be paused for 90 days in response to President Trump pausing the reciprocal tariff program. The announcement states that the countermeasures will become effective if negotiations with the U.S. sour, and that the EU will continue preparatory work on other countermeasures in the meantime. These paused countermeasures specifically address the [tariffs on imports of steel and aluminum from the EU](#). The specific countermeasures and affected products have not been released. We currently expect the tariff rate imposed under the countermeasures to be 25 percent. This rate will likely apply to critical U.S. goods such as metals, agricultural products, and textiles.

Ongoing Uncertainty

Beyond China and the EU, no other nation has retaliated against President Trump's reciprocal tariffs.

Going forward, companies should:

- Monitor developments and seek clarity from counsel as needed;
- Take the opportunity provided by the pause to audit their customs compliance programs and supply chains;
- Determine the country of origin of both finished goods and component parts; and
- Monitor any trade action taken by those countries of origin.

Doing so will allow companies to operate more steadily during this uncertain time.

Our International Trade and National Security team will continue to monitor developments and provide updates as warranted. If you have any questions or would like to discuss this in further detail, please reach out to [P. Lee Smith](#), [Matthew McGee](#), or any member of Baker Donelson's [International Trade and National Security](#) team.