

Trade Policy Developments

Update - February 12, 2025

As global trade continues to evolve, and with a new U.S. administration in place, we have been receiving numerous questions about the impact on global trade and how to respond to potential policy shifts. We shared an initial Q&A on January 28, and this update aims to address key questions that have since arisen. It also provides guidance on how to engage with these developments

What are the latest developments on tariffs?

The following table outlines key tariff measures announced or imposed by the United States, including those made by Donald Trump as a candidate during the 2024 election cycle, as of the date of this update. Please note that this is a high-level summary and does not capture all details. We recommend that members closely monitor ongoing developments and consult with their local ICC National Committees and chambers of commerce for country-specific guidance and additional support and insights on how these measures may impact trade in their respective markets, as implementation timelines and specific requirements continue to evolve.

Date	Targeted Country/Bloc	Tariff Threat/Action	Rationale	Status
November 30, 2024	BRICS nations (Brazil, Russia, India, China, South Africa)	Threatened 100% tariffs on BRICS nations if they created a new currency to rival the U.S. dollar.	Protect U.S. dollar's global dominance.	No further action reported.
January 26, 2025	Colombia	Announced a 25% tariff on Colombian goods after Colombia refused to accept deportation flights of migrants.	Pressure Colombia to accept deported migrants.	Tariffs lifted after Colombia agreed to accept deportees, including on military flights.

January 31, 2025	Indicated plans to impose tariffs on the European Union	European Union	Address trade imbalances and respond to EU regulations affecting U.S. interests.	Details pending; no formal announcement or implementation details confirmed yet.
February 1, 2025	Mexico, Canada, China	Signed executive orders imposing 25% tariffs on all imports from Mexico and Canada (10% on Canadian energy exports) and 10% tariffs on Chinese imports.	Combat illegal immigration and fentanyl trafficking; reduce trade deficits.	Tariffs on Mexico and Canada paused for 30 days; tariffs on China took effect on Feb 4, 2025. Good in transit before this date are exempt if they enter the US market by March 7, 2025. Executive Order: Imposing Duties to Address the Synthetic Opioid Supply Chain in the People's Republic of China
February 7, 2025	Global	Announced plans for 'reciprocal' tariffs, matching other countries' tariff rates on U.S. goods.	Ensure fair trade practices by aligning tariff rates.	Details pending; policy expected in coming days.
February 11, 2025	Global	Announced the re-imposition of 25% tariffs on all steel and aluminium imports, effective March 12, 2025	Counteract unfair subsidies by other countries, and strengthen domestic industries.	Tariffs to take effect on March 12, 2025; no exceptions for allies. Fact Sheet: President Donald J.

				Trump Restores Section 232 Tariffs Presidential Action: Adjusting Imports of Steel into The United States

What are reciprocal tariffs?

Reciprocal tariffs are taxes or fees that one country imposes on goods from another country in response to tariffs or trade barriers that have already been imposed on their own exports. For example, if one country raises taxes on imports from the US, the US might retaliate by raising taxes on imports from that country as well. This is intended to "level the playing field" and encourage the other country to change its trade practices.

Why is the US threatening reciprocal tariffs?

The US government is unhappy with certain trade policies it believes are unfair to American industries, such as high tariffs, subsidies or nontariff barriers that favour foreign businesses. By threatening reciprocal tariffs, the US aims to pressure other countries to make their trade policies more favourable for American businesses. As the situation continues to evolve, outcomes remain uncertain.

How does MFN (Most Favored Nation) status apply?

One of the key principles of the World Trade Organization (WTO) is called Most Favored Nation (MFN) status. This principle ensures that if a country offers a trade benefit to one country, it must offer the same benefit to all other WTO members. The goal is to make sure that no country is treated unfairly in global trade.

However, reciprocal tariffs—which are meant to be a retaliatory response—can create tension with the MFN principle. If one country imposes tariffs only on specific countries in retaliation for their trade policies, it could be seen as violating the idea of equal treatment among all countries. This adds complexity to the situation, as countries may face pressure to balance retaliation with their obligations under international trade rules.

How have countries responded?

Governments have implemented or are considering various measures in response to U.S. tariffs, ranging from direct trade actions to legal proceedings at the WTO.

- **Retaliation.** In response to 10% tariffs on all Chinese imports, China has imposed countervailing duties on U.S. exports, including crude oil, agricultural machinery, car, and pick-up trucks, and initiated an anti-monopoly investigation into Google. It also restricted exports to the U.S. of metals and critical minerals like tungsten, tellurium and indium. Following the announcement of steel and aluminium tariffs, several countries, including Canada, the European Union, and Mexico have developed specific plans for reciprocal tariffs targeting U.S. goods.
- **WTO complaints.** [China](#) has filed a formal complaint with the World Trade Organization (WTO), contending that the U.S. tariffs violate WTO rules. [Hong Kong](#) has announced that it plans to do as well.
- **Seeking exemptions or diplomatic solutions.** Other nations are seeking resolution through diplomatic channels. Mexico and Canada successfully negotiated a 30-day pause on the tariffs announced on February 1 through this approach. Multiple countries, including Australia, Canada, the European Union, Japan, South Korea, and the United Kingdom, have engaged in direct negotiations with U.S. officials to seek potential exemptions from steel and aluminium tariffs. Discussions remain ongoing.

The international response continues to evolve as nations evaluate the economic impact of these trade measures.

What does this mean for ICC?

As the International Chamber of Commerce, we have a responsibility to ensure that global trade remains rules-based and predictable. This situation reinforces the need for:

- Support for solutions that prioritise cooperation over retaliation – we are urging governments to place an emphasis on negotiation and de-escalation wherever possible.
- Advocacy for trade policies that remove unnecessary barriers to trade and facilitate the seamless flow of goods and services across borders.

What are we saying?

In a [series of high-profile interviews with major media outlets](#), ICC Secretary General John W. H. Denton AO, has highlighted widespread concerns and uncertainties within the global business community as a result of threatened and imposed US tariff hikes.

What do we need from you?

We invite members to share their experiences and concerns about how these tariff measures are affecting their business operations, along with specific examples and data on the economic impact in their markets. Please keep ICC informed about any local developments or implementation challenges through your National Committees. This information will strengthen ICC's advocacy efforts and help us better represent business interests in relevant policy discussions.