

# Navigating Cross-border Trade in Uncertain Times

**BEMA Convention**  
Morning Breakout Session  
28 June 2025



## LEVEL-SET



America First Trade Policy



Legal authorities to impose tariffs



Various types of tariffs



Why cross-border trade & tariffs matter

## CURRENT TRADE ENVIRONMENT



Overview of active & proposed tariffs



Domestic challenges to IEEPA tariffs



Responses from trading partners



## LOOKING AHEAD



Timeline for remainder of 2025



Exploring mitigation strategies



Advancing customs compliance

# January 20 (Day 1): “America First Trade Policy” Launched



Blueprint and strategic  
framework for dealing with  
our trading partners

Summary of Trade Priorities	Summary of President’s Instructions to USG Agencies
<b>1 Unfair and Unbalanced Trade</b>	
Curb U.S. trade deficit	Investigate causes of our trade deficits in goods, economic and national security implications and risks of such deficits, and recommend measures – such as, additional <b>new tariffs</b> on imports from the world, or other policies to remedy deficits
Tackle unfair trading practices	Identify any unfair trade practices by trading partners and recommend <b>actions to remedy</b> such practices
Counteract currency manipulators	Assess currency-related policies and practices impacting the U.S. dollar by trading partners, recommend measures to counter currency manipulation or misalignment by trading partners that creates an unfair trade advantage or prevents effective <b>balance of payment adjustments</b> by the U.S., and identify countries that should be designated as currency manipulators
Review and assess USMCA & other U.S. trade agreements	Initiate public consultation on USMCA in preparation for July 2026 review, assess its impact on the economy and make recommendations regarding ongoing U.S. participation; review existing FTAs and recommend revisions to ensure mutual and <b>reciprocal concessions</b> by trading partners
Explore new trade agreements	Identify candidate countries for <b>bilateral or sector-specific</b> trade agreements
Generate new revenue	Explore feasibility and methods to implement an External Revenue Service to <b>collect duties and other trade-related revenue</b>
<b>2 Economic and Trade Relations with China</b>	
Ensure compliance with U.S.-China Phase 1 trade deal	Review whether China is in compliance with the U.S.-China Phase 1 agreement implemented in 2020 and recommend actions, including the <b>imposition of tariffs</b> or other measures
Expand Section 301 actions	Assess findings under 4-year review of Section 301 actions against China, consider potential <b>additional tariff modifications</b> particularly for industrial supply chains and to halt circumvention through third countries, provide updated estimate of the costs imposed by any unfair trade practices, and recommend forward actions
Modify/Remove China’s permanent normal trade relations (PNTR) status	Assess legislative proposals on <b>PNTR</b> with China and make recommendations regarding any proposed changes to such legislative proposals
<b>3 Additional Economic Security Matters</b>	
Stop flow of immigrants and illegal drugs into the U.S.	Assess unlawful migration and fentanyl flows from Canada, Mexico, China, and any other countries and recommend <b>trade and national security measures</b> to resolve

# Legal Authorities: **Tariff Options in Trump's Trade Toolbox**



# Pre-existing and New Tariffs on US Imports



## US Tariffs in Place

Type	Non-Preferential tariffs	Preferential tariffs	Section 232 tariffs, Part 1	Section 301 tariffs	Section 232 tariffs, Part 2	IEEPA “Trafficking” tariffs	IEEPA Baseline & “Reciprocal” tariffs	IEEPA China-specific “Reciprocal” tariffs
Description	Standard tariff (a.k.a. “MFN rate”)	Lower tariffs for goods from 20 FTA partners as well as developing countries	To address national security threat	To address unfair trade practices	Expanded scope to address ongoing national security threat	To address “national emergency” or “extraordinary threat” at our border (fentanyl and immigration)	To address “national emergency” or “extraordinary threat” due to trade deficits and high barriers to US goods	
	Vary by tariff code and applied on goods from most countries	Reduced duties or duty-free on imports under USMCA, DR-CAFTA, GSP, AGOA, etc.	15% to 25% additional tariff on steel and aluminum products with exclusion process and some countries exempted	Up to 25% additional tariff on goods from China	Leveled and increased to 50% on non-US steel/aluminum content, expanded scope of products and no countries exempted	New tariffs on goods from CN (20%) and non-USMCA compliant goods from CA, MX (25%)	10% additional tariff on goods from all countries; may increase for certain countries up to 50% on 9 July	10% tariff (reduced from 125%) on 14 May  May increase to 34% on 12 August
Timing	Typical U.S. tariffs		U.S. tariffs imposed since 2018 (Trump 1.0)		New U.S. tariffs imposed since January 2025 (Trump 2.0)			



# Why Trade Matters: Domestic-Only Sourcing Not Viable & Growth Via Exports

## Bakery Equipment & Machinery



**7323.93.0035:** Steel bakeware

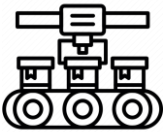
Sec 232

**8419.81.5040:** Commercial ovens

Canadian retaliation



**8422.40.9150:** Machines for case and tray forming, packing, unpacking, closing and sealing



**8428.33.0000:** Continuous-action conveyors, belt type

**8438.10.0010:** Bakery machinery

## Critical Materials & Components



**7217:** Steel wire

Sec 232



**7219:** Flat roll stainless steel

Sec 232



**7307.22.1000:** Steel pipe couplings

Sec 232



**8503.00.9520:** Electric motors, nesoi

Sec 232

## Bread, pastry, cakes, biscuits and other bakers' wares



**1905.10.00:** Crispbread



**1905.31.00:** Sweet biscuits, cookies

**1905.32.xx:** Waffles and wafers

**1905.90.1041:** Cakes, etc.

EU retaliation target

**1905.90.1070:** Biscuits

EU retaliation target



**1905.90.1090:** Cakes, biscuits

EU retaliation target

**1905.90.1090:** Cakes, biscuits

Canadian retaliation

EU retaliation target

## Critical Inputs/Ingredients



**Chapter 18:** Cocoa products

Not grown in the US



**Chapters 7, 9, 12:** Herbs & Spices



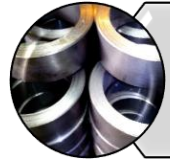
**Chapter 33:** Flavors

Not grown in the US

# Tariff Actions to Date: “The most beautiful word in the dictionary is ‘tariff’.”



**Country-Specific**



**Sector-Specific**



**Broad, Across the Board**

Status	U.S. Action	Legal Authority
In effect	<b>China since 14 May:</b> 10% (increased from 34% to 84% to 125% on 10 April and reduced to 10% on 12 May) on imports from China	IEEPA
	<b>Nearly all countries since 5 April:</b> Reciprocal baseline 10% tariff on imports from the world (with exception of Canada, Mexico, steel/aluminum, auto and auto parts). Drawback permitted.	IEEPA
	<b>Autos and auto parts from all trading partners since 2 April:</b> 25% on all imported autos and certain auto parts	Section 232
	<b>Steel and aluminum from all trading partners since 12 March and increased on 4 June:</b> 25%, now 50%, tariffs, on non-US steel/aluminum content for certain products, derivatives and parts made with these metals from all countries, with no exceptions. No drawback permitted	Section 232
	<b>Canada since 4 March:</b> 25% tariffs on non-USMCA qualifying goods citing national security emergency relate to flow of immigrants and fentanyl across U.S. borders. No drawback permitted. Also hit energy and potash with 10% tariff on 6 March.	IEEPA
	<b>Mexico since 4 March:</b> 25% tariffs on non-USMCA qualifying goods citing national security emergency relate to flow of immigrants and fentanyl across U.S. borders. No drawback permitted. U.S. tariffs initially delayed for 1 month.	IEEPA
	<b>China since 4 March:</b> Additional 10% tariff hike = 20%. No drawback permitted.	IEEPA
	<b>China since 5 February:</b> 10% new tariffs on all Chinese-origin goods citing no progress to stem fentanyl into the U.S. No drawback permitted, and tariffs now applied on low value shipments.	IEEPA
Under investigation	<b>Copper, Lumber, Pharmaceuticals, and Processed critical minerals:</b> Investigations targeting certain sectors from all trading partners. Reports due in fall 2025	Section 232
Proposed (Not in effect)	<b>Individualized reciprocal tariffs by 9 July:</b> Ranging from 10% to 50% on imports from the world.	IEEPA
	<b>EU:</b> 50% tariffs on all goods from EU given lack of serious offers for bilateral discussions	TBD
	<b>Movies made in a foreign land:</b> 100%	TBD
	<b>Countries that import oil from Venezuela:</b> 25% tariffs on imports from countries that source oil from Venezuela. Likely to hit China, Spain, India, Cuba, Singapore, Malaysia, Russia, Vietnam, Bahamas	IEEPA
	<b>Ag products:</b> Targeting agricultural products; levels of tariffs not yet announced.	TBD
	<b>EU:</b> 200% tariffs on wine and other alcoholic beverages in response to EU's proposed retaliation in response to U.S. tariffs on steel and aluminum	TBD
	<b>BRICS countries:</b> 100% tariffs on countries that de-dollarize	TBD
	<b>Russia:</b> unknown levels of tariffs if Russia does not end war with Ukraine. Threatened to impose secondary tariffs of 25% to 50% on buyers of Russian crude oil and potentially blacklist companies trading with Russia if no agreed ceasefire with Ukraine.	TBD
	<b>Airplanes &amp; parts:</b> Varied tariffs from all trading partners	TBD
	<b>Semiconductors chips:</b> Varied tariffs from all trading partners	TBD
	<b>Digital Services Tax:</b> unknown level of tariffs to counteract DSTs applied by certain trading partners	TBD

# Challenges to Tariffs: Domestic Push-back Against Presidential Use of IEEPA

## Background



**10 lawsuits introduced** against the Trump tariff actions

- **Separation of powers and Congressional “power of the purse”:** authority to implement tariffs is Congress’, not the President’s
- **Jurisdiction over-reach:** IEEPA tariffs violate the U.S. Constitution
- **Economic adversity:** tariffs will harm the economy and small businesses



**13 states** part of ongoing litigation



**4 bills introduced** to repeal tariffs and limit President's tariff authority

## Latest



### U.S. Court of International Trade (CIT) Case

**28 May:** CIT issued ruling blocking President Trump from imposing tariff actions under IEEPA

- No “unbound authority” to impose tariffs on all trading partners
- 10-day period for Administration to halt collection of tariffs

**May:** U.S. Court of Appeals for the Federal Circuit (CAFC) granted short-term stay

**June:** CAFC ruled IEEPA tariffs remain until final decision

**July/Early August:** Oral arguments expected, possible decision

### District Court Case

**29 May:** Separately, DC federal court ruled tariffs “exceeded” president’s authority under IEEPA

**2 June:** Administration asked CAFC to block the order

### Supreme Court

**27 June:** Ruled against universal injunctions (birthright citizenship case)... possible relevance for IEEPA tariff cases

**End 2025/early 2026:** Likely decision on IEEPA tariffs






Watch  
This Space!



# U.S. Trading Partners React: Only Four Trading Partners Pursuing Retaliation



Sources: Adobe

Trading Partner	Response to U.S. Action
	<ul style="list-style-type: none"><li>Imposed 125% tariff on top of existing retaliatory tariffs: <b>Reduced to 10% since 14 May</b></li><li>Added several U.S. companies to “unreliable entities list”: <b>Resolved.</b></li><li>Limited exports of rare earths: <b>Addressed in recent negotiations.</b></li><li>Banned U.S. poultry and lumber</li><li>Threatened retaliation against countries that make deals with the US that hurt their interests</li><li>Retaliation possible if US increases higher reciprocal tariffs on 12 August</li><li><b>Pursuing drug control measures to limit exports to the United States</b></li></ul>
	<ul style="list-style-type: none"><li>Implemented Tranche 1 retaliation (\$30 B CAD)</li><li>Proposed and delayed Tranche 2 (\$125 B CAD) and <b>opened request process for exclusion from retaliatory tariffs</b></li><li>Implemented Tranche 3 retaliation targeting steel and aluminum products</li><li><b>US-Canada meeting on fringes of G7 meetings in Canada</b></li></ul>
	<ul style="list-style-type: none"><li><b>Had been quiet until June</b></li><li>Announced possible retaliation against increased US steel and aluminum tariffs</li></ul>
	<ul style="list-style-type: none"><li>Postponed implementation of retaliatory duties for 90 days (mid-July)</li><li>Undertaking consultations on retaliation, limiting certain exports</li><li>Filed dispute at WTO</li><li><b>In discussions with United States</b></li></ul>
	<ul style="list-style-type: none"><li><b>30+ countries in negotiations</b> with the United States with aim to avoid higher reciprocal tariffs</li></ul>

# Pending Tariff & Trade Policy Actions

## Key Dates and Events over the Coming Year

9 July	14 July	July/ August	12 August	Early Fall	1 December	End 2025/ Early 2026	1 July 2026
<b>Tariffs to be imposed by U.S. on World</b>	<b>Tariffs to be imposed by EU on U.S.</b>	<b>Appeals court decision expected on U.S. IEEPA tariffs</b>	<b>Tariffs to be imposed by U.S. on China</b>	<b>Public Consultation U.S. targeting USMCA</b>	<b>Tariffs to be imposed by EU on U.S.</b>	<b>Supreme Court decision on U.S. IEEPA tariffs</b>	<b>USMCA sunset review begins U.S.-CA-MX</b>
Reciprocal tariffs to increase from 10% to higher levels (11% to 50%) for countries that have not negotiated agreements with the United States	Retaliatory tariffs of 25% currently suspended scheduled to expire	Expect both sides to pursue Supreme Court case if lose appeal	Tariffs scheduled to increase to 34% after 90 day pause  ----- <b>Tariffs to be imposed by China on U.S.</b>  Retaliatory tariffs could snap back if U.S. increases tariffs	Stakeholder input on USMCA in advance of 2026 sunset review of agreement	3 <sup>rd</sup> round of retaliatory tariffs of 25% scheduled to take effect	If Administration loses, IEEPA tariffs may be refunded to U.S. importers	Consider whether USMCA is working for U.S. exporters, otherwise USMCA could terminate in 2036



# Possible Tariff Mitigation Strategies: Explore If Options Viable



## PRODUCT & PRODUCT DEVELOPMENT

- ☐ Confirm imported goods are **properly classified**
- ☐ Explore if further manufacturing/processing can be undertaken to **change classification**
- ☐ **Quantify U.S. content** and maintain records
- ☐ Explore use of Section 321/**de minimis tariff exemptions**
- ☐ If input is further advanced/processed in the United States and exported, duties may be refunded through **"drawback"**
- ☐ Utilize Chapter 98 Provisions for **U.S. goods returned**

## SOURCING/SUPPLY & STORAGE/TRANSIT

- ☐ **Stockpile** in advance of new tariffs
- ☐ Negotiate with suppliers/customers to **cost-share new tariffs**
- ☐ **Diversify suppliers** & utilize equally
- ☐ Goods from FTA partners **may be eligible for lower tariffs**
- ☐ **Shift sourcing/manufacturing from China** to 3<sup>rd</sup> countries
- ☐ **Source inputs domestically**
- ☐ **Shift to/Establish manufacturing in the U.S.**
- ☐ Consider use of **bonded warehouses or foreign trade zones** to defer payment of duties
- ☐ Move goods transiting through U.S. under **temporary import bond**

## SALES & VALUATION

- ☐ Ensure **costs which are not dutiable** are excluded from the import value
- ☐ If using a broker or a trader, imported good may qualify for **"first sale" valuation**
- ☐ **Review Incoterms and purchase agreements** to determine whether buyer or seller pays and/or is liable for the duty
- ☐ Explore benefits and requirements of **inter-company transfer/related-party sales**
- ☐ **Share tariff costs** with customer and/or final consumer
- ☐ **Prepare for and work with broker on possible refunds** of IEEPA tariffs

## ADVOCACY & ENGAGEMENT

- ☐ **Advocate in advance for tariff exemption or reduced duty** if new tariffs applied
- ☐ **Request process** to submit tariff exclusion requests on new tariffs imposed
- ☐ **Support renewal of trade preference programs** (i.e., GSP and AGOA) for duty-free access on imports from developing countries
- ☐ Urge **pursuit of trade agreements** to reduce tariffs/NTMs bilaterally
- ☐ Support continuation of **Miscellaneous Tariff Bill process** if good is not available in the U.S.
- ☐ **Engage in foreign markets** on importance of exports to U.S.

# Importance of Customs Compliance: **Creative Workarounds May be Costly**



Facilitate legitimate  
trade efficiently  
& securely

Enforce  
customs laws &  
stop illicit trade

Ensure proper  
tariff revenue  
collected



Data-centric  
risk assessments



Greater visibility  
into supply chains

## Ensure accurate **country of origin (COO)**

- Trans-shipment via a 3<sup>rd</sup> country does not change COO
- Country of export may **not** be the COO
- “Origin restructuring” is code for trans-shipment

## Ensure declared value represents the “**price paid or payable**”

- Double invoicing is on the rise
- “Tariff optimization” and “DDP” solutions from logistics vendors may indicate non-compliant valuation modifications

## For steel/aluminum products & derivatives, **know U.S.-origin content**

- CBP requires content declarations for Section 232 items
- List of affected products continues to evolve; could expand further

## Easy solutions are often **too good to be true**

- Emphasize a culture of compliance
- Undertake due diligence on mitigation efforts via your broker, customs advisor, trade lawyer, etc.



# Key Takeaways



America First Trade Policy is a systematic overhaul in dealing with U.S. trading partners



New tariffs are here, more likely coming



Approach is chaotic, poorly communicated and exceedingly difficult to predict



Highly dynamic phase through the foreseeable future with new announcements continuing at a rapid clip



Legal challenges to trade actions may -- or may not -- impact the tariffs applied on U.S. imports



Continued uncertainty and unpredictability for businesses about full scope of evolving tariff-cost exposure



Critical to understand supply chain, identify tariff-cost risks, explore & validate tariff mitigation strategies





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# About TradeMoves

At TradeMoves, we believe trade makes the world a better place.

Our team works where cross-border operations and trade policy intersect to help companies of all sizes minimize barriers and maximize opportunities in export markets.



## We Are



**Advisors on cross-border trade and global operations**



**Agro-food sector partners**



**Researchers, analysts and strategists**

## We Provide



**Global intelligence and insights**



**Smart trade tools & analytics**



**Support for cross-border sourcing & supply strategies**



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