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New Administration's Tariffs on Canada, Mexico, China



On February 1, 2025, the new administration invoked authority under the International Emergency Economic Powers Act to impose additional 25% tariffs on products imported from Mexico and Canada and additional 10% tariffs on products imported from China.

The executive orders carved out a duty rate of 10% for certain energy or energy resources products from Canada. No other exemptions or processes for requesting exemptions are provided in the orders.

The president premised his orders on a declaration of national emergency to deal with the “threat to the safety and security of Americans, including the public health crisis of deaths due to the use of fentanyl and other illicit drugs,” and noted that “Mexican drug trafficking organizations (DTOs) are the world’s leading traffickers of fentanyl, methamphetamine, cocaine, and other illicit drugs, and they cultivate, process, and distribute massive quantities of narcotics that fuel addiction and violence in communities across the United States.” The orders also cited China’s failure “to follow through with the decisive actions needed to stem the flow of [fentanyl] precursor chemicals to known criminal cartels and shut down the money laundering” by transnational criminal organizations.

The additional duties go into effect as of February 4, 2025. Reports today indicate that the President has agreed with Mexico to delay implementation for one month. Under the orders, the duties are to remain in place until the “President’s determination of sufficient action to alleviate the crisis.” The orders also provide that if these countries retaliate through import duties on U.S. exports or similar measures, the president may increase or expand in scope the duties imposed under the orders.

Canada has already announced retaliatory duties on \$107 billion of U.S. goods, and China has announced it is filing a legal action at the World Trade Organization and will impose further unspecified “countermeasures” against the United States.

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