



CANADA, MEXICO, AND CHINA IEEPA TARIFF INCREASE UPDATE (February 4, 2025)

As indicated in our last [update](#), President Trump has delayed the imposition of additional tariffs on Canada and Mexico goods which were to go into effect today (Tuesday, February 4), but not the China 10% additional tariffs.

New Executive Orders (“EOs”) issued February 3 “paused” the 25% [Canada](#) and [Mexico](#) additional tariffs until **March 4, 2025**, due to Canadian and Mexican commitments on border enforcement and fentanyl. However, the February 3 EOs make clear that if sufficient progress is not made, it will lead to “immediate implementation” of the tariffs.

The EOs also paused until March 4, 2025, the requirement to admit Mexican and Canadian origin goods in Privileged Foreign (PF) status into U.S. foreign-trade zones (FTZs). The EOs **did not alter the prohibition on using Section 321 de minimis on Mexico and Canada goods.**

The 10% additional tariffs on products of China did go into effect on February 4. See our last [update](#) for comments on the application of these additional tariffs to FTZs, drawback, and HTSUS Chapter 98 classifications. Specifically note the FTZ On-Hand Inventory Options for distribution and production FTZs, including FTZ Weekly Entry Strategy, PF status election, and FTZ entry origin.

China has issued retaliatory measures, [including](#) (a) [15% tariffs](#) on U.S. coal and liquified natural gas and (b) [10% tariffs](#) on U.S. crude oil, agricultural machinery, and certain cars and pickup trucks, effective February 10, 2025.

China has also [requested](#) WTO consultations, initiated investigations of Google, PVH Group, and Illumina, and imposed export controls on certain [critical minerals](#) including tungsten, tellurium, bismuth, molybdenum and indium. CBP has issued [guidance](#) on the China Section 321 *de minimis* prohibition.

It remains to be seen whether President Trump will respond to these China retaliatory measures, especially given the retaliatory response language in the February 1, 2025 China [EO](#).

Contact [Marshall Miller](#), [Brian Murphy](#), [Sean Murray](#), or [David Ostheimer](#) with questions.

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