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TRACKING TRUMP'S TARIFFS



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This week is a major inflection point in the implementation of President Trump's international trade strategy. The President has signaled for weeks that April 2, 2025, will mark the beginning of new, reciprocal tariffs on nations that impose duties on American exports. The short-term delay of tariffs on Mexico and Canada are also set to expire next Wednesday.

Tariff details – including the exact countries, products, and rates that will be announced next week – are still unknown as negotiations continue. In recent days, the President Trump [suggested](#) that countries might be given exemptions from the tariffs or face duty rates that are below the amount charged on American products. There have also been inconsistent reports about the imminent imposition of new tariffs on specific foreign products like automobiles and pharmaceuticals.

No matter what happens, this is a significant milestone in U.S. tariff policy and markets will be watching closely. Here's an update on the key policies that the White House teed up for April 2nd, hailed by President Trump as "Liberation Day."

Reciprocal Tariffs

Aimed at equalizing U.S. tariffs with those charged by our trading partners, reciprocal tariffs have long been the centerpiece of President Trump's tariff agenda and the most impactful of those tariffs scheduled to take effect on April 2nd. Speaking to reporters at the White House this week, the president [raised](#) the possibility that he could exempt some countries from reciprocal tariffs and might not charge the full duty rate that other nations impose on U.S. goods. Whether or not President Trump imposes reciprocal tariffs at an equivalent level with foreign tariffs across the board, the president pledged that the tariffs would still be "substantial."

Reports further suggest that reciprocal tariffs may be [targeted](#) towards the so-called "Dirty 15," a term [used](#) by Treasury Secretary Scott Bessent to refer to the 15% of countries with high tariffs and large trade imbalances with the U.S., potentially [including](#) Argentina, Australia, Brazil, Canada, China, the European Union, India, Indonesia, Japan, Korea, Malaysia, Mexico, Russia, Saudi Arabia, South Africa, Switzerland, Taiwan, Thailand, Turkey, the United Kingdom, and Vietnam.

United States-Mexico-Canada Agreement Tariff Exemptions

25% tariffs on Canada and Mexico were originally implemented on March 4th but – after continued negotiations – were quickly followed by one-month reprieves on goods that were compliant with the United States-Mexico-Canada Agreement (USMCA) for [both countries](#). Those exemptions are scheduled to lapse on April 2nd, bringing back the original 25% tariffs in addition to any reciprocal tariffs the administration may seek to impose on Canada and Mexico.



Secondary Tariffs on Purchasers of Venezuelan Oil and Gas

On Monday, the president [issued](#) an executive order introducing a “[secondary tariff](#)” on Venezuela, citing the extraordinary threat to U.S. national security posed by the regime of Venezuelan president Nicolás Maduro and the Tren de Aragua gang, which has been designated as a Foreign Terrorist Organization and a Specially Designated Global Terrorist organization. The order grants the Secretary of State the discretion to impose a 25% tariff on all goods of any country buying Venezuelan oil, starting on or after April 2, 2025. Once imposed, the tariff will last until 1 year after the country's last purchase of Venezuelan oil.

Industry-Specific Tariffs

As part of his tariff agenda, President Trump has enumerated a wide-ranging list of industry-specific tariffs, with a number of them previously slated to be imposed on April 2nd. Current [reports](#) suggest that the president may delay implementing industry tariffs in favor of focusing on reciprocal tariffs, although no concrete plans have been announced. The following industry-specific tariffs had been scheduled for April 2nd but could see a delay based on the president's goals.

Auto Tariffs: President Trump declared that current import levels of auto and auto parts were threatening to “impair the national security of the United States.” Pursuant to Section 232 of the Trade Expansion Act of 1962, Trump used this finding as legal grounds to unilaterally impose new 25% tariffs on vehicles and certain vehicle parts from all countries. The “certain parts” specified are engines and engine parts, transmissions and powertrain parts, and electrical components. More than one-third of all vehicles could be hit with the full force of the 25% tariffs. Vehicle models popular with middle class families—such as the Honda Civic—may increase in price by more than \$5,000.

Even vehicles manufactured in the United States will incur higher costs. Only 29% of an assembled vehicle's value comes from the assembly itself. The remaining value—71%-- is derived from the cost of parts and materials. Most of these components are covered by the tariffs. As such, the cost of many vehicles manufactured in the United States could increase by 15%.

Expect repair bills to increase as well. Because parts comprise roughly half of repair costs, many repairs will increase in excess of 10% due to the tariffs on imported parts. Used vehicles may see a surge in costs as demand increases from buyers shying away from new vehicle purchases. U.S. vehicle exporters will be harmed by the double whammy of retaliatory tariffs and higher input costs making their finished product less competitive.



Pharmaceutical Tariffs: The threat of pharmaceutical tariffs has already resulted in billions of dollars in increased investments in U.S. drug manufacturing by pharmaceutical giants [Eli Lilly](#) and [Johnson & Johnson](#). Even with a potential delay, President Trump has [pledged](#) that pharmaceutical tariffs would be announced in the near future.

Lumber Tariffs: Speaking at the White House, the president [pointed](#) to lumber tariffs as coming “down the road.”

Agricultural Tariffs: Originally [scheduled](#) to be implemented on April 2nd, President Trump has not specifically spoken about tariffs on agricultural imports in recent days. Like other industry-specific tariffs, tariffs on agricultural imports could be delayed to prioritize the sequencing of broader reciprocal tariffs.

Semiconductor Tariffs: Under the threat of tariffs, chip manufacturing leader Taiwan Semiconductor Manufacturing (TSMC) has [announced](#) a \$100 billion investment in chip manufacturing in the United States. Like lumber, chip tariffs are not likely to be implemented on April 2nd but will be [announced](#) “down the road.”

Trade Investigations Will Greatly Expand Tariff Authority

Congress has vested the president with tariff authority for several different reasons. Outside of emergency designations, the executive branch must conduct investigations and submit reports to certify that new tariffs meet congressional criteria. Once that is done, courts have almost unanimously allowed the president to implement and modify tariffs at the president's discretion.

The legal justification for any reciprocal tariffs will likely come in the form of trade investigations and reports that were initiated by the “[America First Trade Policy Executive Order](#)” (EO) that President Trump signed on his first day in office.

That EO required multiple government agencies to conduct reviews of international trade practices and report back to the president. Many of the instructions in the EO require that reports include remedies to end unfair, non-reciprocal, and “unbalanced” trade. Remedies under the Executive Order could include duties and tariffs. In total, the order included 22 individual reports to the president that could result in the implementation of remedies.

The following reports were due to the White House on Tuesday, April 1, 2025. The United States Trade Representative (USTR), the Department of Commerce, and the Department of Treasury are variously responsible for the reports and recommended remedies. The investigations and subsequent reports aim to address different aspects of international trade as follows:



1. Investigate "the causes of our country's large and persistent annual trade deficits in goods" and suggest recommendations, including a global supplemental tariff.
2. Conduct a feasibility study of establishing an External Revenue Service (ERS) to collect tariff revenue.
3. Identify [unfair trade practices](#) by any other nations and recommend remedies under [Sec. 301](#), including tariffs.
4. Assess the impact of the United States-Mexico-Canada Agreement (USMCA).
5. Identify countries that should be designated as currency manipulators and suggest "appropriate measures to counter currency manipulation."
6. Review existing trade agreements and recommend any revisions necessary to "reciprocal and mutually advantageous concessions" from trade partners.
7. Identify countries with which the U.S. can negotiate trade agreements bilaterally.
8. Review the application of antidumping and countervailing duties in light of transnational subsidies and "zeroing."
9. Review the loss of tariff revenue from the importation of drugs or counterfeit products as well as the \$800 de minimis exemption of the Uyghur Forced Labor Prevention Act.
10. Review the potential to [double applicable taxes](#) on foreign countries that unfairly tax U.S. citizens.
11. Review all trade agreements to ensure they favor government [hiring](#) U.S. workers.
12. Review the Economic and Trade Agreement Between the Government of the United States of America and the People's Republic of China (PRC) to assess compliance.
13. Review the 2018 [Sec. 301 investigation](#) findings against China and suggest modifications.
14. Investigate PRC policies with regard to U.S. technology and intellectual property and recommend potential tariff modifications under Sec. 301.
15. Investigate other "acts, policies, and practices by the PRC" and recommend remedies.
16. Review legislation altering China's trade status and make recommendations to Congress.
17. Assess all patents, copyrights, and trademarks conferred upon PRC persons or entities.



18. Review the U.S. defense industrial base and recommend investigations [under Sec. 232](#) to determine if imports negatively impact national security.
19. Review the effectiveness of Sec. 232 tariff exclusions for foreign steel and aluminum.
20. Review the U.S. export control system and suggest modifications and new enforcement.
21. Review the Office of Information and Communication Technology and Services (ICTS) [rule regarding connected vehicles](#) that communicate with other connected vehicles.
22. Review President Biden's [2024 Outbound Investment rule](#) for modification or elimination.

The president initiated these investigations on day one because he sought broad legal authority to tariff other countries for a variety of reasons. Under current statute, investigations are necessary to ensure that the tariffs meet legal standards and thus long-lasting. The issuance of these investigation reports will greatly expand President Trump's legal authority to implement or modify tariffs, trade deals, and existing agency rules.

For any questions, reach out to John Shelton (john@advancingamericanfreedom.com).

