



# How Manufacturers Are Addressing Tariffs in 2025

The Manufacturing Law Group

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# Of Note

We note that in this presentation we are only providing general information; the information contained in this presentation does not constitute legal advice. No attorney-client relationship has been created. If legal advice or other assistance is required, please contact us directly.

# Our Manufacturing Law Industry Group

Described by media outlets as one of the top manufacturing law practices in the United States.

Represent manufacturers of all sizes throughout the United States and Internationally.

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# Presenters



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# How Manufacturers Are Addressing Tariffs in 2025

- What are Tariffs and How Are They Calculated?
- How Did We Get Here?
- What Are the Latest Developments?
- How Are Manufacturers Responding?

# What are Tariffs and How Are They Calculated

- Tariffs are taxes/duties imposed by a country on the value of imported products.
- The “importer of record” (as established by the terms of the agreement between the buyer and seller of the products) is responsible for paying tariffs at the time of importation/entry.
- Tariffs can be (and are usually) “ad valorem,” meaning a percentage of the value of the imported product, or “specific,” meaning a fixed amount based on a unit of measure of the imported product.
- General tariff formula: **Value x Tariff Rate = Tariff**
  - where “Tariff Rate” is a function of (1) Classification and/or (2) Country of Origin.

# How Did We Get Here?

- March 4, 2025: Mexico/Canada/China Tariffs
  - Mexico/Canada: 0% for USMCA compliant goods; 25% for most other goods
  - China: 20% (but increased later)
- March 12, 2025: Aluminum/Steel Tariffs
  - 25%
  - Applies also to list of derivative articles
- April 3, 2025: Automobile Tariffs
  - 25%
  - Later applied to auto parts
    - Credit for imports by domestic auto producers
  - Later added Anti-stacking provisions

# How Did We Get Here?

- April 5, 2025: “Liberation Day” Tariffs
  - 10% Global tariff
  - Country-Specific Rates (currently suspended)
- May 8, 2025: Reduction in UK Tariffs
  - 10% Global tariff remains
  - Automobile, Steel, Aluminum tariffs remain (but some quota at lower rate)
  - Further negotiations expected
- May 12, 2025: Reduction in China Tariffs
  - 145% → 30% baseline
  - Baseline to increase to 54% on August 14, 2025
  - Further negotiations expected

# What Are the Latest Developments?

- May 23, 2025: Threatened Increase to EU Tariffs
  - Threatened 50% tariff
  - Delayed until July 9, 2025
- May 28, 2025: Court of International Trade Decision
  - Invalidated reciprocal tariffs, Canada/Mexico/China tariffs
  - Federal Circuit stayed the decision; tariffs still in effect while appeals progress
- June 4, 2025: Steel/Aluminum Tariff Increase
  - 25% → 50% (except for UK)
  - Change in treatment of derivative articles

# What Are the Latest Developments?

- Tariffs Threatened But Not Implemented
  - Aircraft/Aircraft Engines
  - Copper
  - Integrated Circuits/Semiconductors
  - iPhones
  - Lumber
  - Maritime Cargo Equipment
  - Movies
  - Oil/Gas
  - Pharmaceuticals
  - Trucks

# How Are Manufacturers Responding?

- Communication
  - Customers
  - Suppliers
  - Internal
- Analyze contractual requirements

# How Are Manufacturers Responding?

- Analyze mitigation opportunities – Pre-importation
  - Valuation
    - First Sale
    - Transfer Pricing
    - Bona Fide buying agent fees
    - Unbundling
  - Classification
  - Chapter 98

# How Are Manufacturers Responding?

- Analyze mitigation opportunities – Pre-importation
  - TIB
  - Country of Origin
    - Substantial Transformation
    - Free Trade Agreements/USMCA
  - Government Contracts

# How Are Manufacturers Responding?

- Analyze mitigation opportunities – Post-importation
  - Duty Drawback
  - FTZs
  - Bonded Warehouses