

Publications

May 13, 2025 • Updates

United States and China Announce Temporary 115 Percent Reduction in Tariffs While Trade Discussions Continue

After negotiations over the weekend in Geneva, Switzerland, the United States and China reached a new trade deal on Monday, May 12, 2025, to temporarily slash tariffs on each country's goods by 115 percent for the next 90 days. President Trump issued an executive order the same day reflecting this modification, reducing the 125% "reciprocal" tariff levied on Chinese imports on April 10, 2025, to ten percent. In turn, China will remove the retaliatory tariffs imposed on U.S. imports since April 4, 2025, but will retain a ten percent tariff. The revision to the "reciprocal" tariff will be effective on or after 12:01 a.m. Eastern Daylight Time on May 14, 2025, as the United States and China continue discussions on economic and trade relations.

All other duties imposed on China by the Trump Administration remain in effect, including:

- Tariffs ranging from 7.5 to 25 percent imposed on certain categories of imports from China pursuant to Section 301 of the Tariff Act of 1974 (Section 301);
- 25 percent tariffs on imports of aluminum, steel and cars and car parts implemented pursuant to Section 232 of the Trade Expansion Act of 1962 (Section 232); and
- 20 percent tariffs on all imports from China imposed under the International Emergency Economic Powers Act (IEEPA) in response to the fentanyl national emergency.

The U.S. and China trade deal follows on the heels of a recent "Economic Prosperity Deal" reached between the United States and the United Kingdom last Thursday, May 8, 2025, which addressed, amongst other things, removal of barriers to make it easier for American and British businesses to operate, invest and trade in both countries. In particular, the United States agreed to exclude UK steel and aluminum from the Section 232 25% duties on imports of steel and aluminum and cut Section 232 tariffs on UK cars and car parts coming into the United States from 25% to 10% for the first 100,000 UK cars.

These trade deals work to address the Trump Administration's concern over trade imbalances and to deliver, according to the White House, "real, lasting benefits to

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If your business needs strategic legal advice or anticipates potential impacts resulting from these announcements, contact Deanna Okun, Lydia Pardini, Polsinelli’s Executive Action Working Group or your Polsinelli contact.