

March 5, 2025

Navigating Tariff Changes: Additional Duties Now in Effect for Imports from China, Hong Kong, Canada & Mexico

Issue Date: March 04, 2025

Dear Valued Customer,

The United States Government has announced new and increased tariffs on imports from China, Hong Kong, Canada and Mexico through multiple Executive Orders. As your logistics partner, we want to keep you informed of these developments, help you navigate this changing landscape, and minimize disruption to your supply chain.

WHAT IS CHANGING ON MARCH 4, 2025?

Imports from Mexico

- 25% additional duty applies to most imports from Mexico (HTS 9903.01.01).
- Exemptions include humanitarian aid and informational materials (books, films, etc.).
- If you use Foreign Trade Zone (FTZ), you must enter goods as "Privileged Foreign Status" and will be subject to duties upon withdrawal.
- These duties cannot be refunded through drawback claims.

Imports from Canada

- 25% additional duty applies to most Canadian-origin goods (HTS 9903.01.10).
- 10% additional duty applies to Canadian energy products (HTS 9903.01.13), including crude oil, natural gas, and critical minerals.
- Exemptions include humanitarian aid and informational materials.
- FTZ impact & no drawback – Same restrictions apply as with Mexico.

Imports from China & Hong Kong

- Duty rate has doubled from 10% to 20% on most imports (HTS 9903.01.24).
- Exemptions include humanitarian aid and informational materials.
- If your goods were in transit before Feb 1, 2025, they may qualify for exemption if entered before March 7, 2025 (HTS 9903.01.23).
- FTZ impact & no drawback – Similar to Canada & Mexico, affected goods must enter FTZs under "Privileged Foreign Status."

HOW THIS AFFECTS YOU

These new duties are in addition to all other tariffs, including USMCA and existing trade remedies. US Customs and Border Protection (CBP) will reject entries that are non-compliant, including those without proper duty deposits. Importers must ensure accurate product classification and duty calculation to avoid penalties.

WHAT YOU SHOULD DO NOW

- Review your supply chain to identify affected products and assess cost increases.
- Verify your HTS codes and duty amounts are reported correctly.
- Consider duty mitigation strategies through FTZs, alternative sourcing, or compliance planning.
- Prepare for proper compliance to avoid shipment delays, penalties, and financial risk.

RECIPROCAL TARIFFS

- The Canadian Government will implement a 25% tariff, starting on March 4.
- The Chinese Government will implement tariffs for goods originating in the US, starting on March 10.
- The Mexican Government has not yet announced its retaliatory tariffs.

WE ARE HERE TO HELP

We are here to support you with your logistics needs and will continue to provide customer advisories and updates on reciprocal tariff announcements as the situation develops.