Breakbulk & Project Cargo

Journal of Commerce by S&P Global

Lens on the Americas: Tariffs, Sanctions and Shipping

Neha Dhindsa, Venable LLP

Eric Johnson, Journal of Commerce by S&P Global

April 25, 2025

Current tariff landscape (as of April 17, 2025)

- **China**
  - 20% tariffs to address fentanyl crisis
  - 125% reciprocal tariffs
  - 7.5% - 100% pre-existing Section 301 tariffs
- **The world (mostly)**
  - 10% reciprocal tariffs
- **Canada and Mexico**
  - 10% tariff on Canadian potash and energy
  - 25% tariff on all Mexican imports and Canadian (except above) imports except USMCA eligible goods.
- **Autos**
  - 25% tariff on all automobiles, with an exemption for US content and certain auto parts (May 3)
- **Steel and Aluminum**
  - 25% tariff on all steel and aluminum and certain derivatives

What's next?

- Country-by-country negotiations on reciprocal tariffs.
- USTR Section 301 investigation targeting China-Targeting the maritime, logistics, and shipbuilding sectors for dominance. Previously proposed fees being revised based on public feedback.
- Executive Order titled "Restoring America's Maritime Dominance" (April 9, 2025) calling for a maritime action plan expanding and strengthening the maritime industrial base, tariffs on certain ship-to-shore cranes and other cargo handling equipment, 10 percent service fee for cargo routed through Canada or Mexico, and measures to support domestic shipbuilding and maritime industry etc.

Mitigation strategies

- Contract renegotiation to share costs
- Supply chain adjustments to change country of origin (change inputs, source key components elsewhere, move certain manufacturing and assembly processes)
- Product adjustments to change to favorable classification (Section 301 tariffs, steel/aluminum)
- Review valuation of imports
- Move certain manufacturing and assembly to Canada/Mexico to take advantage of USMCA
- Review import processes in detail to realize cost savings (Chapter 98 provisions, deductions from value, Incoterms, etc.)
- **Strict enforcement from CBP is expected so any significant changes should be very well documented, and importers should consider obtaining a CBP ruling.**