Trade and Tariff Talk

ReMA Members Only Discussion
Thursday, April 17, 2025

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Recycled Materials Association
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Overview of Today’s Trade and Tariff Talk

- Where Does Global Trade Go from Here?
- Import Tariffs on Recycled Materials
- Retaliation Against U.S. Exports of Recycled Materials
- Chinese Shipbuilding Investigation and Proposed Actions
- Other Policies that Would Impact Trade
- What’s Next?

WORLD TRADE ORGANIZATION

WTO TRADE FORECASTS

16 APRIL 2025

Temporary tariff pause mitigates trade contraction, but strong downside risks persist

- Under current conditions, the volume of world merchandise trade is likely to fall by 0.2% in 2025. The decline is expected to be particularly steep in North America, where exports are forecasted to drop by 12.6%.
- However, severe downside risks exist, including the application of “reciprocal” tariffs and broader spillover of policy uncertainty, which could lead to an even sharper decline of 1.5% in global goods trade and hurt export-oriented least-developed countries.
- The report contains for the first time a forecast for services trade to complement its projections for merchandise trade. The volume of services trade is forecasted to grow by 4.0% in 2025, around 1 percentage point less than expected.

Broader Implications of Trade Restrictions

STATE OF FREIGHT

Trade war fallout: Cancellations of Chinese freight ships begin as bookings plummet

Week-over-week changes in ocean bookings

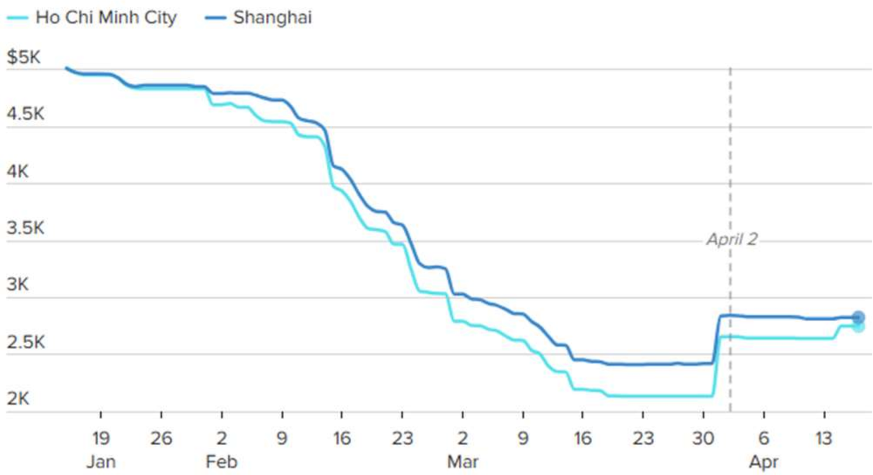
Percent change between **April 1–8** and **March 24–31**

Global TEUs booked	▼ 49%
Overall U.S. imports	▼ 64%
Overall U.S. exports	▼ 30%
U.S. imports from China	▼ 64%
U.S. exports to China	▼ 36%

Source: Vizion

Shipments to the ports of Los Angeles and Long Beach

Daily short-term rates for 40-foot equivalent units to the U.S. from China and Vietnam | Jan. 15–April 17, 2024



Source: Xeneta

CNBC

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Import Tariffs on Recycled Materials

- Emergency Border – Canada and Mexico – **exclusion under USMCA, 25% if material doesn't qualify**
- Emergency Border – China – **20%**
- Section 232 Steel and Aluminum – All Countries – **Not Included**
- Universal Baseline – **10%**, unless qualify for exemption/exclusion:
  - Only country exclusions are Canada and Mexico
  - Only product exclusions are (1) already paying 232 tariffs or (2) Annex II
- Reciprocal – China – **125%**

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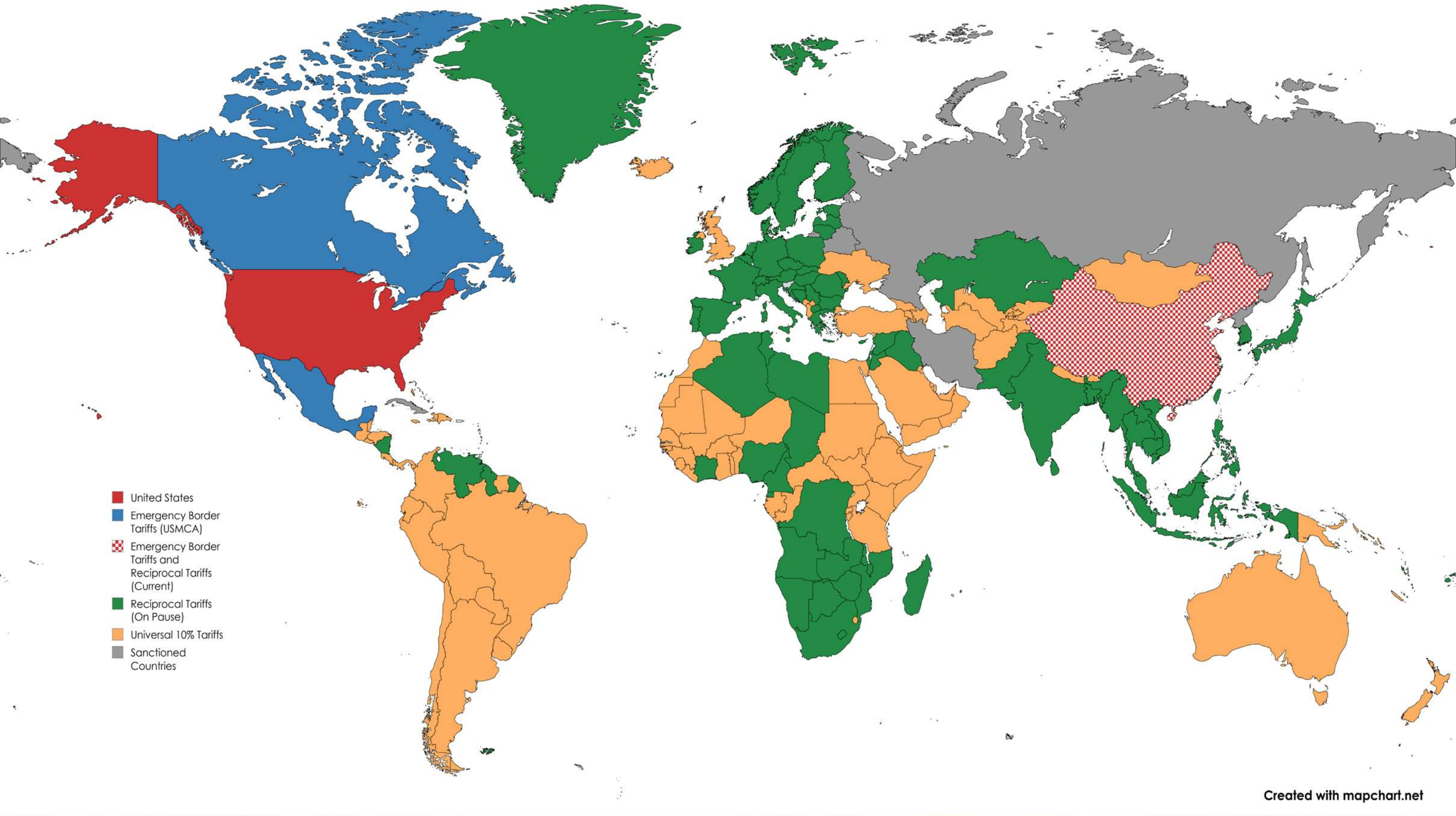
Reciprocal Tariff Action

- **<u>Universal Baseline</u>** – across-the-board 10 percent duty
  - Imposed on April 5th on all countries, except for Canada and Mexico
  - Likely to remain in place for all countries – unlikely up for negotiation

- **<u>Reciprocal Tariffs</u>** – duty on top of 10 percent baseline
  - Currently **<u>on pause for 90 days</u>**, but will impact approximately 75 countries
  - Most products, including certain recycled materials, such as recycled steel and recycled aluminum, but excludes goods subject to other tariffs or energy/critical mineral products not available in the U.S.
  - Negotiations with foreign governments mostly focused on these tariffs.


United States
Emergency Border Tariffs (USMCA)
Emergency Border Tariffs and Reciprocal Tariffs (Current)
Reciprocal Tariffs (On Pause)
Universal 10% Tariffs
Sanctioned Countries
Created with mapchart.net

Exclusions from Reciprocal Tariffs

Six specific types of exclusions from the reciprocal tariffs:

1. Articles subject to 50 USC 1702(b);
2. Steel/aluminum articles and auto/auto parts already subject to Section 232 tariffs;
3. Copper, pharmaceutical, semiconductors and lumber articles;
4. All articles that may become subject to future 232 action;
5. Bullion; and
6. Energy and other certain minerals not available in the U.S.

Exclusions from Reciprocal/Universal Tariffs

Recycled Materials Excluded

- Stainless steel (7204.21.00)
- Copper (7404.00.30 and 7404.00.60)
- Zinc (7902.00.00)
- Tin (8002.00.00)
- Tungsten (8101.97.00)
- Magnesium (8104.20.00)
- Cobalt (8105.30.00)
- Titanium (8108.30.00)
- Chromium (8112.22.00)

Recycled Materials Not Excluded

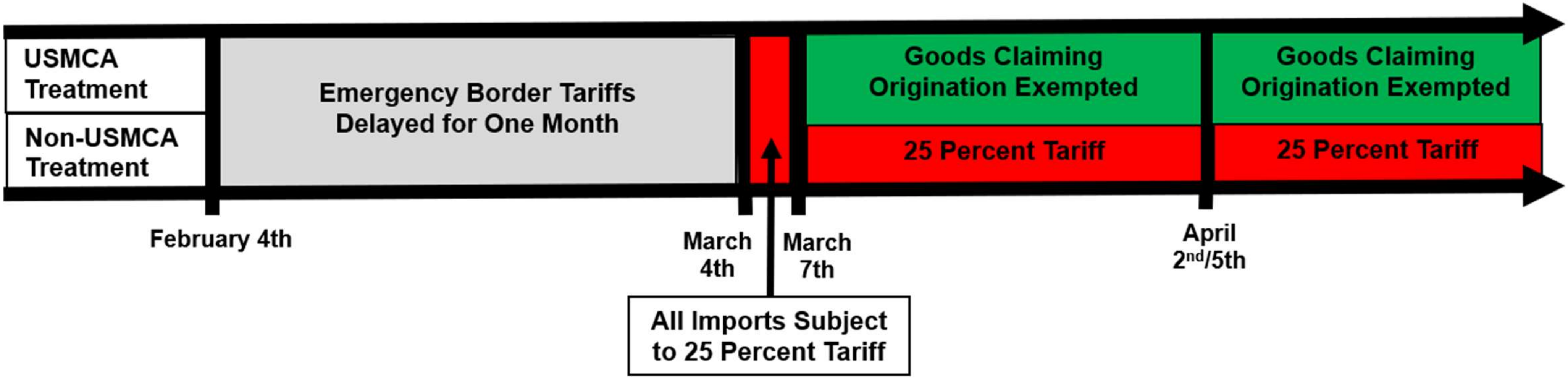
- Plastics (3915)
- Tires (4004)
- Paper/Paperboard (4707)
- Ferrous (7204) except for stainless
- Aluminum (7602)
- Electronics and Batteries (8549)

In-Transit Exceptions to Universal Tariff

- In order to qualify for an in-transit exception from universal baseline tariffs, goods must have been:
  - Loaded onto a vessel at port of loading and in transit on the final mode of transport before 12:01am EDT on April 5, 2025,

    AND
  - Entered for consumption into the U.S. before 12:01am EDT on May 27, 2025.

Timeline for Imports from Canada and Mexico



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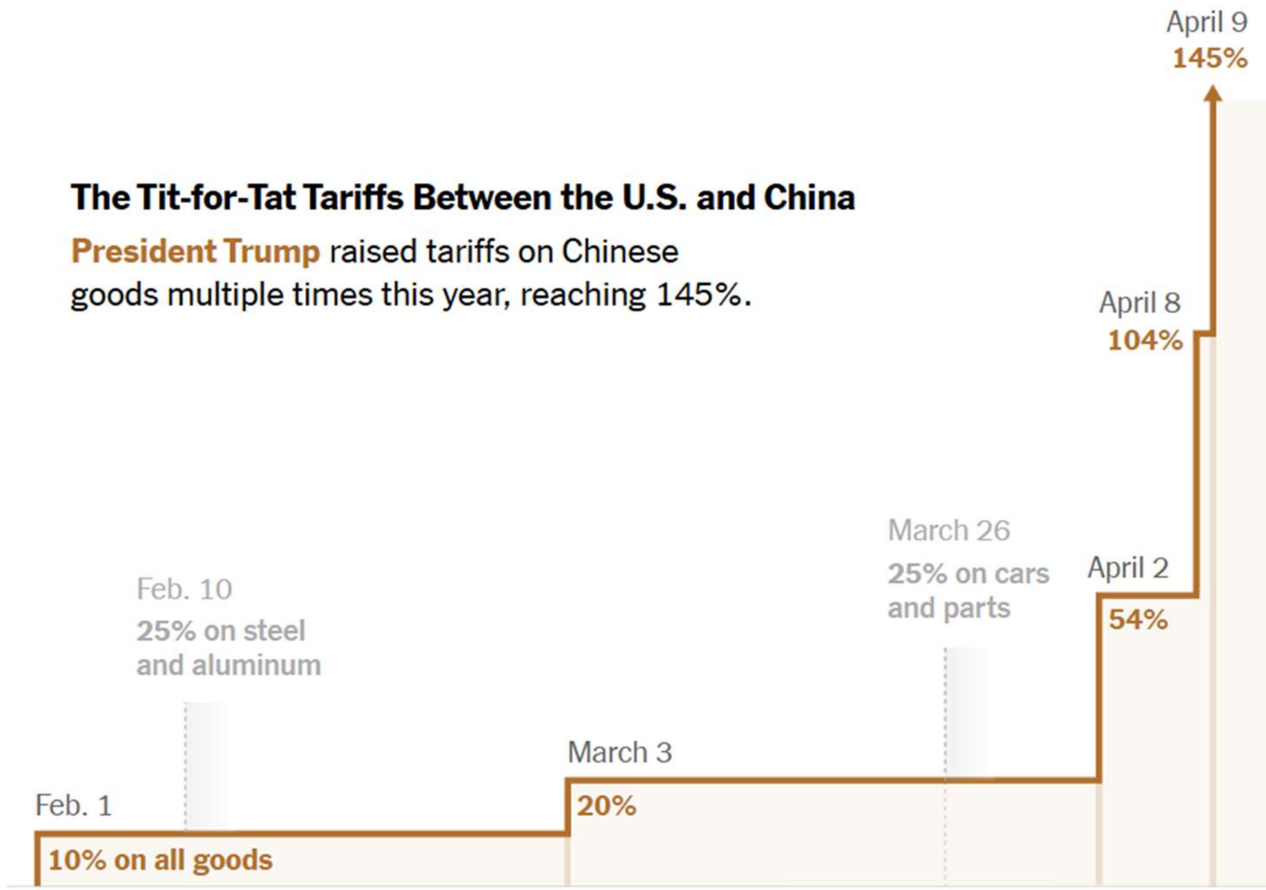
Tariffs on U.S. Imports from China



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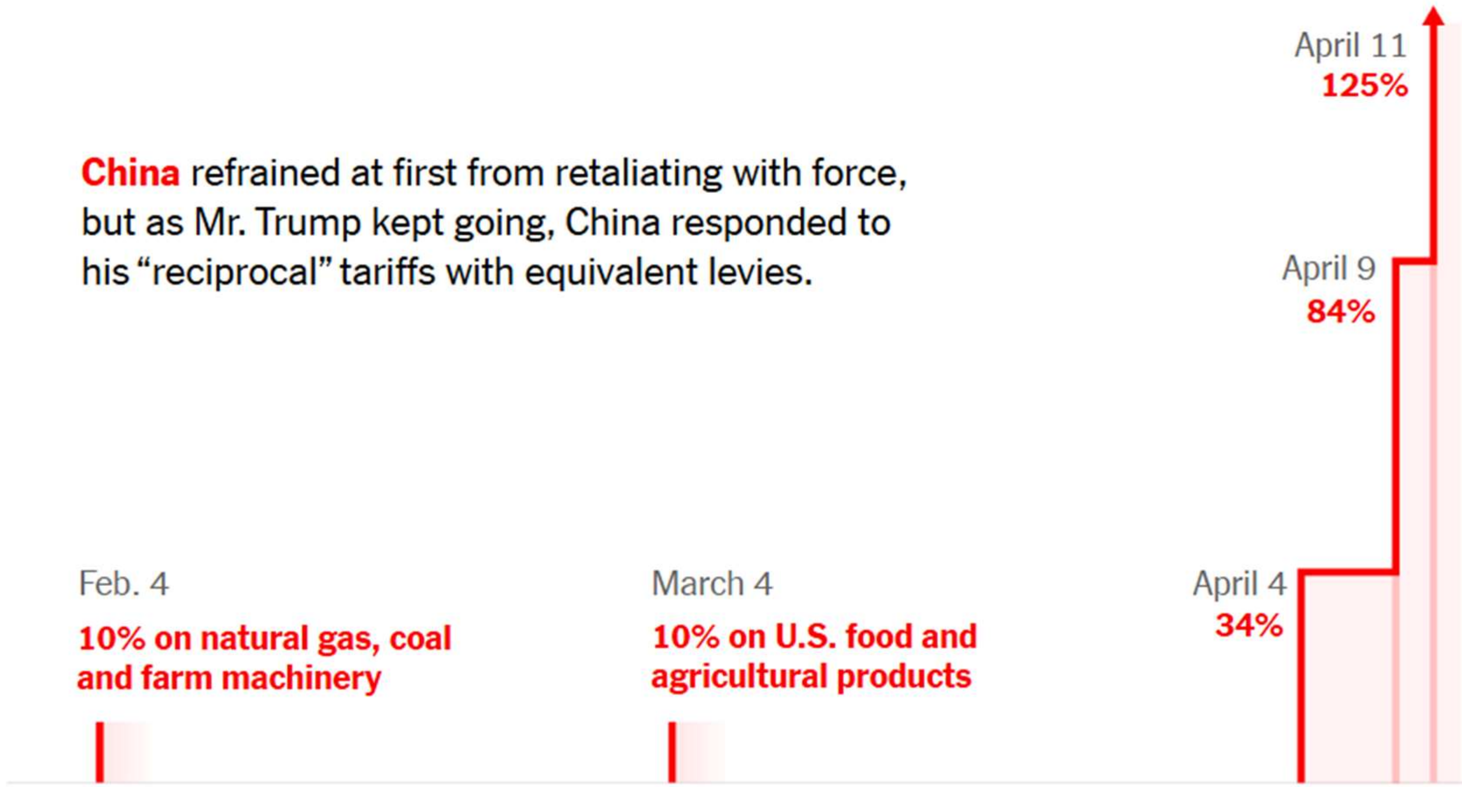
Chinese Retaliation Against U.S. Tariff Actions



Chinese Retaliation on Reciprocal Tariffs

April 2nd – President Trump imposes **34 percent** reciprocal tariff on all Chinese imports. Stacks on top of existing **20 percent** tariffs.

April 4th – China announces retaliatory tariff of **34 percent** on all U.S. exports and imposes export ban on certain rare earth minerals.

April 7th – President Trump announces further escalation, increasing effective rate on Chinese imports to **104 percent** (which is 84 percent + 20 percent).

April 9th – China increases retaliation on all U.S. exports to **84 percent**.

April 9th – President Trump increases reciprocal tariff rate on Chinese imports to **125 percent**, for total burden of **145 percent**.

April 11th – China once again increases retaliation to **125 percent**.

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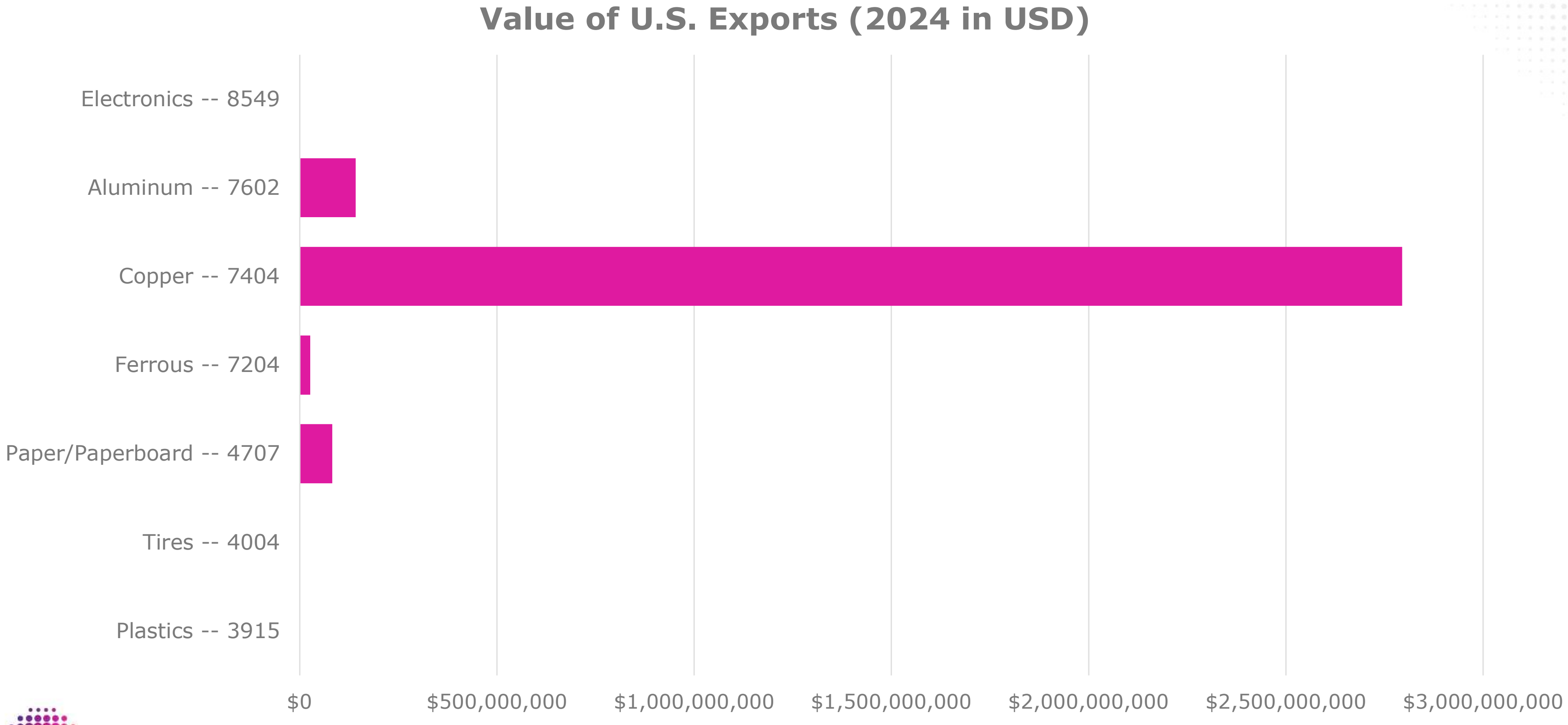
U.S. Exports of Recycled Materials to China



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Status of China Shipbuilding Proposed Action

- Today is one-year anniversary of launch of Section 301 probe of Chinese dominance of shipbuilding, maritime and logistics sectors
  - USTR expected to release final recommendations as soon as today.

- USTR initially proposed significant fees, ranging from $1-1.5 million on each U.S. port of call by Chinese-built or Chinese-operated vessels.

- Press reports indicate that USTR and the Section 301 Committee intend to revise/scale-back the proposed fee structure and potentially include certain exclusions for U.S. exports.

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Other Section 232 Investigations

- Earlier this week, President Trump directed Commerce Department to initiated national security investigation of imports of **critical minerals**.

- Traditionally, remedies for these investigations focus on import restrictions, but the critical minerals language also calls for potential ways to incentivize domestic capacities, processing and recycling.

- Additional 232 investigations launched/in-progress
  - Lumber – initiated March 10th
  - Semiconductors – initiated April 1st
  - Pharmaceuticals – initiated April 1st

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What’s Next?

- Congressional action, including resolutions of disapproval and legislation, primarily stalled, particularly as the higher reciprocal tariffs on selected trading partners on pause through July.

- Reciprocal tariff actions (under IEEPA) challenged in several Federal Court cases, as statute has never been used to impose tariffs. However, tariffs under Section 232 much likelier to be upheld by Courts.

- Most likely recourse will be impact of tariffs on the markets, public opinion and the broad economy/employment levels.

Next Trade and Tariff Talk

- Do you find these Trade and Tariff Talks helpful and would you continue to participate in the future?
- Does this timeslot (Thursdays at 3:00pm EDT) generally work for your schedule?
- How often should we convene these discussions in the future?
- What additional items would your company find useful for these Trade and Tariff Talks to focus on?

Member Resources

www.recycledmaterials.org/trade

ReMA Trade and Tariff Information

Note for Members: the information and analysis provided by ReMA staff is only intended for use by ReMA members. It is also a document that will be updated and modified as new developments occur and evolve, as well as further discussions take place among ReMA members.

General Trade and Tariffs

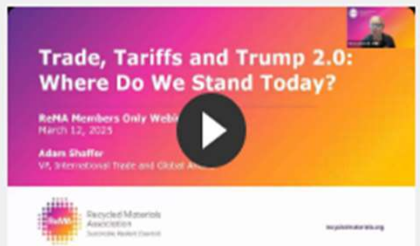
- What are the different tariff actions that the President has implemented so far?
- What is the timeline for imposition of these new tariffs?
- What role does Congress and the Courts play?
- What Other Trade and Tariff Actions Has the New Administration Taken Since January 20?

Emergency Border Tariff Measures

- What is the expected impact of the Emergency Border Tariff Measures on imports from Canada, Mexico and China, on the recycled materials industry?
- What About Retaliation?
- What Products Have Been Exempted or Carved Out?

Webinars

Trade, Tariffs, and Trump 2.0: Where Do We Stand Today?



Download Presentation Slides

Join us for the latest *Trade and Tariff Talk*, a ReMA 2025 webinar series.

Register Now

External Resources

U.S. Customs and Border Protection (CBP) Guidance/FAQ on Section 232 Tariffs on Steel and Aluminum Imports

Proposed List of Canadian Retaliatory Tariff Measures (includes significant tariff lines for recycled/recyclable material exports from the U.S.)

Scope of the Section 232 Steel Tariffs, including Derivative Products

Scope of the Section 232 Aluminum Tariffs, including Derivative Products

Have Questions?

ReMA is providing updates for members as new information becomes available. Please email tariffquestions@recycledmaterials.org with any additional questions.

Member Alerts and Communications

Member Alert

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Section 232 Tariffs on Steel and Aluminum Imports Will Continue to Exclude Recycled Steel and Recycled Aluminum

- The Trump Administration today pub
signed on February 10 that fully re
from all countries.
- With the public release of the annex
recycled aluminum products rem
These materials had been excluded v
the tariffs first imposed in 2018 and
will continue to be excluded from th
- The Proclamations end the various fo
steel and aluminum products from th
quotas or tariff-rate quotas (TRQs).

Member Alert

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Sustainable Resilient Essential

President Trump Imposes Tariffs on from Canada and China, Beginning T February 4, 2025; 30-day Delay on T Imports from Mexico

- On February 1, 2025, President Trump signed three Executive Or
China. The duty
exception of ene
rts from **China v**
government re
of **25 percent**
hina will apply to
rom warehouse
y 4, 2025. Ther
were pre-loaded
, February 1, 20

Member Alert

Recycled Materials Association
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March 7, 2025

Import Tariffs Delayed for Goods Entering the U.S. Using USMCA Preference

- The White House yesterday announced a one-month pause for the emergency border tariffs on goods imported from Canada and Mexico that comply with the United States-Mexico-Canada Agreement (USMCA).
- This exemption, through April 2, applies to goods imported that both **qualify and claim** status of origination under USMCA. It does not apply to goods imported using most-favored nation (MFN) duty-free rates.
- It is our understanding that recycled material imports into the U.S. qualify for origination in the USMCA origination if they are collected (either pre-consumer or post-consumer) in North America. USMCA requires a Certificate of Origin to be filed and U.S. Customs and Border Protection (CBP) has guidance on the data elements that are necessary to qualify for USMCA duty-free treatment.

ReMA Trade & Tariff Update

March 25, 2025

Next Steps in Trump Administration Trade and Tariff Announcements

- Next week, the White House is expected to begin announcing the next round of trade and tariff actions, as it seeks to implement President Trump's America First Trade Policy.
- These announcements are expected to take place starting on Wednesday, April 2, following reviews by federal trade agencies of all U.S. trade and tariff policies. It is expected that these agencies will also provide policy recommendations to the White House, though it is unclear whether these reports and recommendations will be released publicly.
- It is expected that the White House will issue further guidance on the application of the Emergency Border Tariffs (IEEPA) for imports from Canada, Mexico and China, and how those tariffs will interact with any new tariffs the White House intends to announce.

Thank You

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