

Washington Tariff & Trade Letter

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TARIFF ROUNDUP

[More and More and More Tariffs!](#)

President Donald Trump has announced plans to impose sweeping tariffs on key imported goods, including automobiles, pharmaceuticals, and lumber, as part of his broader effort to recalibrate trade relationships and encourage domestic manufacturing. Speaking to reporters and through posts on Truth Social, the former president detailed his vision for a reciprocal tariff system aimed at addressing what he calls longstanding trade imbalances.

Mr. Trump declared that a 25% tariff on imported automobiles will take effect in April, with the potential for further increases. A similar tariff on pharmaceuticals will begin at 25% and escalate over time. "It'll go very substantially higher over the course of a year," he said.

The President also announced plans to impose 25% or higher tariffs on additional goods, including lumber, semiconductors, and microchips. [READ MORE](#)

[World Responds to Washington's Tariffs](#)

The global response to U.S. tariff measures has ranged from diplomatic negotiations to retaliatory actions. While the EU and Japan seek exemptions through dialogue, China and Canada have taken more direct countermeasures. Meanwhile, countries like Malaysia, South Africa, and India are exploring strategies to protect key economic sectors from the impact of U.S. tariffs.

One certain outcome is that regional and country-specific trade agreements which exclude the United States will continue to be inked among countries determined to ensure their supply lines aren't jeopardized by the caprices of President Trump. [READ MORE](#)

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[Reciprocal Tariffs: So 19th Century](#)

In an essay for the Council on Foreign Relations, Edward Alden and Jennifer Hillman discuss the Trump administration's approach to trade reciprocity, recognizing its relevance in global trade policy while warning of its impractical implementation.

They acknowledge that "President Donald Trump is right about reciprocity—a fair balance of tariff concessions among countries has long been integral to U.S. trade policy." However, they argue that the administration's execution of this principle is flawed, stating that "his administration seems confused about how it works in the real world."

Alden and Hillman illustrate the risks of a reciprocal tariff regime, referencing historical precedents such as the McKinley Tariff of 1890, which led to economic depression and political backlash. [READ MORE](#)

TRADE POLICY & POLITICS

[USTR Call for Comments on Unfair Trade](#)

The Office of the United States Trade Representative is inviting comments from the public as part of its work pursuant to the America First Trade Policy Presidential Memorandum and the Reciprocal Trade and Tariffs Presidential Memorandum. These comments will assist the U.S. Trade Representative in reviewing and identifying any unfair trade or non-reciprocal foreign trade practices.

The deadline for submission of comments is March 11, 2025. [READ MORE](#)

[Bill to Restrict Farm Sales to Foreigners Revived](#)

House and Senate lawmakers have reintroduced legislation to prohibit the sale of US agricultural land to any company or individual tied to the governments of Iran, North Korea, China or Russia. The *Protecting America's Agricultural Land from Foreign Harm Act* would enhance accountability and reporting on the subject. According to USDA data, foreign investors own approximately 45 million acres of US agricultural land. [READ MORE](#)

[Farm Bill Stuck in Mud](#)

The 2018 Farm Bill expired for the second time in September 2024, and while a December patch extended some programs, meaningful legislative progress appears remote.

Historically a bipartisan effort, the Farm Bill now faces hurdles due to heightened political divisions in Congress. The lack of legislative consensus casts uncertainty over key provisions affecting agricultural exports. [READ MORE](#)

Foreign Direct Investment \$41 Trillion

The United States extended its lead as the top destination for direct investment in 2023, attracting nearly \$5.4 trillion of foreign capital according to IMF Data released last week. FDI rose in most regions, with Central and South Asia, Europe, and North and Central America contributing most. Direct investment between advanced economies grew by \$880 billion, or 3.6 percent, while those from advanced economies to emerging market and developing economies rose by \$538 billion, or 7.6 percent. [READ MORE](#)

STAFFING UP

Lutnick Confirmed for Commerce Post

The Senate Tuesday evening approved the nomination of financier Howard Lutnick as Commerce Secretary, putting in place a key proponent of President Trump's trade policy. The nomination was approved by a mostly party line vote of 51 to 45. [READ MORE](#)

Eisenberg to Head Justice National Security Division

President Trump intends to nominate John Eisenberg to head the Justice Department's National Security Division. Eisenberg previously served as Legal Advisor to the National Security Council during President Trump's first term, where he was also Assistant to the President and Deputy Counsel to the President for National Security Affairs. Brett Shumate is tapped as chief of the Civil Division, and Patrick Davis will head the Office of Legislative Affairs.

In other national security news, the nomination of Kash Patel as FBI Director has been confirmed by the Senate. Republican Senators Susan Collins of Maine and Lisa Murkowski of Alaska, joined all Democrats in opposing Patel. [READ MORE](#)

WTO / GENEVA

China Blasts US Tariffs at WTO

China lashed out at the United States at the World Trade Organization's General Council meeting, charging that Washington's "tariffs on its trading partners, including China, unilaterally and arbitrarily, blatantly [are] violating WTO rules."

At the meeting, WTO Director-General Ngozi Okonjo-Iweala is understood to have expressed her grave worries about the ongoing developments triggered by one member, saying it is not in the interest of anyone to destabilize the multilateral trading system, according to the people present at the meeting. [READ MORE](#)

WTO Reform: "Panel of Eminent Persons" nixed by US

World Trade Organization (WTO) Director-General Ngozi Okonjo-Iweala has proposed establishing a panel of "eminent persons" to conduct an in-depth analysis of WTO reform—an idea swiftly rejected by the United States. Washington rejected the notion of outsourcing WTO reform, asserting that such an approach would leave members in a passive, reactive role while allowing outsiders to dictate the organization's agenda.

In another discussion at the General Council meeting, the United States urged Okonjo-Iweala to avoid politicizing the accession process for new WTO members. This issue has gained prominence as negotiations are underway for a "development package" at the WTO's 14th Ministerial Conference (MC14), scheduled to take place in Yaoundé, Cameroon, next year. [READ MORE](#)

CORRUPTION & ENFORCEMENT

FATF Plenary: Proliferation & Consultations

The Financial Action Task Force (FATF)—the global standard-setting body for anti-money laundering, countering the financing of terrorism, and proliferation of weapons of mass destruction—concluded a plenary in Paris February 21.

During the plenary the FATF discussed ongoing work on evolving proliferation financing and terrorist financing risks, financial inclusion, and standards for domestic and cross-border payments, including agreeing to release draft updates for public consultation.

The suspension of the Russian Federation continues to stand. [READ MORE](#)

Aircraft Parts Exporter Sentenced

An Israeli national was sentenced Friday to 24 months in prison and three years of supervised release for conspiracy to illegally ship aircraft parts and avionics from U.S. manufacturers and suppliers to Russia, including for the benefit of sanctioned Russian airline companies. In addition, Gail Haimovich paid the full forfeiture amount of \$2,024,435.44.

Between approximately March 2022 and May 2023, Haimovich facilitated the export of aircraft parts and avionics, including those with missile technology applications, from the United States through the Southern District of Florida, to various third-party transshippers on behalf of Russian customers. [READ MORE](#)