

U.S. Agrees to Lower Tariffs on Imports from China and United Kingdom; Trump Administration Launches New Investigation Into Aircraft and Aircraft Parts

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On May 12, 2025, President Trump issued an [executive order](#) temporarily reducing the “reciprocal” tariffs on China, Hong Kong, and Macau origin goods from 125% to 10%, and lowering tariffs imposed on international mail parcels from China and Hong Kong. China likewise will reduce its retaliatory tariffs on goods from the United States to 10% from 125%. The reduction takes effect May 14, 2025, and will last for 90 days during which time the parties say they intend further negotiations. The announcement does not, as explained below, reduce other tariffs that apply to goods from China.

In a separate development, the United States and the United Kingdom (“UK”) reached a framework agreement on May 8, 2025, that will result in lower tariffs on some U.S. imports of UK origin goods. The UK, for its part, will reduce import tariffs on certain U.S. origin goods and address non-tariff barriers to trade. Finally, the Trump administration launched an investigation into aircraft and aircraft parts under Section 232 of the Trade Expansion Act of 1962 (“Section 232”).

China Tariffs

Under the temporary tariff reprieve announced in a [joint statement](#), the United States will lower the reciprocal tariffs that were imposed under the International Emergency Economic Powers Act (“IEEPA”) to 10%, effective May 14, 2025. As we described in [eUpdates](#) in [March](#) and [April](#), the reciprocal tariffs initially were 34% for goods from China, Hong Kong, and Macau, but President Trump ordered them to 125% as a result of China’s retaliatory actions against the United States. At the end of the 90-day period, barring any further developments from the bilateral discussions, the new reciprocal tariff rate will become 34%.

While the reduction significantly lowers the reciprocal tariff rate for Chinese-origin goods, many other tariffs remain in effect and could apply to certain imported products. The chart below shows the applicable tariffs that may apply to imports of Chinese origin goods.

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Legal Authority	Current Rate	Changed By May 12, 2025, Tariff Relief?
General Import Tariff	Varies by product	No
IEEPA (Synthetic Opioids)	20%	No
IEEPA (Reciprocal)	10%	Yes (previously 125%)
Section 301	0-100% (varies by product)	No
Section 232	25% (applicable only to certain products)[1]	No
Antidumping and countervailing duties	Varies by products and producer/exporter	No

The new executive order also modifies the special tariff imposed on low-value international mail parcels from China and Hong Kong that contain goods subject to the tariffs. The modified tariff will now be either 54% (instead of 120%), or \$100 per parcel (cancelling a previously scheduled increase to \$200 per parcel starting June 1, 2025). In the coming days, U.S. Customs and Border Protection is likely to release further details on implementation.

U.S.-UK Framework Agreement

On May 8, 2025, the United States and UK announced a framework agreement (“UK-US Agreement”) that would lower certain U.S. tariffs on goods from the UK. In particular, according to the White House announcement, the United States will lower the 25% Section 232 tariffs on UK automobiles to 10% for the first 100,000 imported vehicles per year, and make similar arrangements for automotive parts. In addition, the United States will lower Section 232 steel and aluminum tariffs from 25% under an “alternative” deal that will create a “trading union” between the two countries for aluminum and steel. A similar arrangement will be reached on pharmaceuticals, according to the White House. Although there currently are not Section 232 tariffs on imports of pharmaceuticals, the White House has indicated it may impose tariffs or trade restrictions on pharmaceuticals soon. In exchange, the UK made certain U.S. market access commitments on U.S. exports of beef and ethanol to the UK and agreed to eliminate non-tariff barriers to trade.

Details about the UK-US Agreement remain largely unknown, including the full scope of trade concessions by each side, and the contemplated trade union between the countries. The announced framework appears to defer these details for further negotiations.

The Trump Administration touted the UK-US Agreement as an example of President Trump’s negotiating strategy to seek bilateral arrangements with countries. In particular, the Trump Administration has stated it intends to reduce reciprocal tariffs on countries in

exchange for the elimination of tariff and non-tariff barrier to imports of goods and services from the United States. The White House says it is negotiating agreements with dozens of countries that could avoid increases in the reciprocal tariff rate for those countries, which are due to increase on July 8, 2025 for many countries. The UK-US Agreement is the first example of such an agreement, and came shortly before the announced 90-day pause with China.

Whatever the details are that ultimately emerge, the UK-US Agreement suggests that the Trump Administration intends to retain at least a 10% tariff on most imports from other countries, even after they reach an agreement with the United States. Under the White House announcement of the UK-US Agreement, it was noted that the reciprocal tariff rate of 10% would be modified only for certain goods like automobiles. The Trump Administration thus appears to be intent on keeping countries and all products subject to a 10% minimum tariff, with higher tariffs possible under Section 232 or if the country is unable to reach an agreement with the United States.

Section 232 Investigation of Aircraft, Aircraft Engines, and Parts

The Trump Administration also launched a Section 232 investigation into aircraft, aircraft engines, and aircraft and engine parts. The *Federal Register* [notice of the investigation](#) is available online. Interested parties have until June 2, 2025 to comment on the investigation. This investigation is one of many that the U.S. Department of Commerce Bureau of Industry and Security is conducting, with a [summary page of the various investigations](#) available to the public.

Finally, on April 29, 2025, the White House issued [an executive order](#) that avoids stacking certain tariffs imposed under IEEPA and Section 232 (i.e., the “Stacking Order”). That Stacking Order exempted automotive goods subject to Section 232 tariff from recent tariffs imposed against Canadian and Mexican goods and steel and aluminum articles under Section 232; and exempted Canadian and Mexican goods subject to IEEPA tariff actions from the Section 232 tariff on steel and aluminum goods.

Conclusion

Dorsey & Whitney has attorneys who are experienced in helping clients assess the impact of these new tariffs and who have advised companies participating in Section 232 investigations and other trade proceedings. If you have questions about this eUpdate or the actions described in it, please contact one of the authors, linked below.

[1] The Section 232 tariffs currently cover imports of aluminum, automobiles and automobile parts, steel, as well as certain specified derivatives of those goods.