

March 27, 2025

S&C Tariffs Tracker (Updated)

President Trump Announces Tariffs on Automobiles and Automobile Parts

SUMMARY

On March 26, 2025, President Donald J. Trump issued a Proclamation (the “Proclamation”) announcing that he would impose a 25% tariff on imports to the United States of automobiles and certain automobile parts.¹ The tariff on automobile imports will go into effect on April 3, 2025, and will apply to imported passenger vehicles (sedans, SUVs, crossovers, minivans, cargo vans) and light trucks. The tariff on “key automobile parts” (engines, transmissions, powertrain parts, and electrical components) will go into effect no later than May 3, 2025. The Proclamation further directs the Secretary of Commerce to, within 90 days, establish a process by which to include additional automobile parts within the scope of the tariffs.

Automobile importers who qualify for preferential tariff treatment under the United States–Mexico–Canada Agreement (“USMCA”) will only face tariffs on the value of the “non-U.S. content” of their automobile, i.e., the parts of the automobile not “wholly obtained, produced entirely, or substantially transformed in the United States.”² However, USMCA-compliant automobile parts will not be subject to any tariff until the Secretary of Commerce, in consultation with U.S. Customs and Border Protection (CBP), establishes a process to apply tariffs to their non-U.S. content and publishes a notice in the *Federal Register*.

In announcing these tariffs, President Trump relied on his authority under Section 232 of the Trade Expansion Act of 1962. He specifically cited a 2019 investigation and report from the Secretary of Commerce concluding that automobiles and certain automobile parts were being imported into the United States in such quantities and under such circumstances that they threatened to impair the nation’s security. The Proclamation asserts that these national security concerns persist and have since escalated, and that the importation of these goods poses an ongoing threat to the United States’ national security.

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As the time of this Memorandum’s publication, no country has announced specific retaliatory measures. Japanese Prime Minister Shigeru Ishiba stated that “all options” against the tariffs would be on the table and that his government is considering an “appropriate response.”³ European Commission President Ursula von der Leyen condemned the tariffs and stated that the EU would seek “negotiated solutions while safeguarding its economic interest.”⁴ Additionally, Canadian Prime Minister Mark Carney called Trump’s tariffs “a direct attack” on Canada’s economy and pledged that his government would “defend our workers,” “defend our companies,” and “defend our country.”⁵

The below Tariffs Tracker summarizes the status of various tariffs and trade measures that the Trump administration and the EU have announced, are implementing, or are actively considering for implementation. S&C will periodically update this tracker based on further developments, and our team is available should you have questions regarding the tariffs’ applicability.

TRACKER

Tariff Description	U.S. Imports/Goods Affected	Countr(ies) of Origin	Rate ⁶	Effective Date(s)	Expiration Date	Statutory Authorit(ies)
Already in Effect						
China Tariffs	All goods (except in <i>de minimis</i> quantities and other limited exceptions) ⁷	China	10%	2/4/25	N/A (<i>de minimis</i> exception to be suspended upon notification by Commerce) ⁸	International Emergency Economic Powers Act (IEEPA)
Additional 10% China Tariffs	All goods (except in <i>de minimis</i> quantities and other limited exceptions)	China	10% (total 20%)	3/4/25	N/A (<i>de minimis</i> exception to be suspended upon notification by Commerce)	IEEPA
Mexico Tariffs	Goods that do not satisfy U.S.-Mexico-Canada Agreement (USMCA) rules of origin ⁹ (except in <i>de minimis</i> quantities and other limited exceptions)	Mexico	25% (10% for potash)	3/4/25	N/A (<i>de minimis</i> exception to be suspended upon notification by Commerce)	IEEPA
Canada Tariffs	Goods that do not satisfy USMCA rules of origin (except in <i>de minimis</i> quantities and other limited exceptions)	Canada	25% (10% for energy products and potash)	3/4/25	N/A (<i>de minimis</i> exception to be suspended upon notification by Commerce)	IEEPA
Steel Tariffs	Steel and steel derivatives	All (by removing existing exemptions)	25%	3/12/25	N/A	Section 232 of the Trade Expansion Act of 1962 (Section 232)

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Tariff Description	U.S. Imports/Goods Affected	Countr(ies) of Origin	Rate ⁶	Effective Date(s)	Expiration Date	Statutory Authorit(ies)
Aluminum Tariffs	Aluminum and aluminum derivatives	All (by removing existing exemptions)	25%	3/12/25	N/A	Section 232
Pending/Temporarily Suspended						
Mexico Tariffs	Goods that satisfy USMCA rules of origin	Mexico	25%	4/2/25 (suspended on 3/6/25)	N/A	IEEPA
Canada Tariffs	Goods that satisfy USMCA rules of origin	Canada	25%	4/2/25 (suspended on 3/6/25)	N/A	IEEPA
Reciprocal Tariffs	Potentially all	Potentially all	TBD	4/2/25 ¹⁰ or later ¹¹	N/A	Possibly IEEPA, Section 232, and/or Section 301 of the Trade Act of 1974 (Section 301)
Automobile Tariffs	Automobiles and automobile parts	All	25%	4/3/2025 – automobiles No later than 5/3/2025 – certain automobile parts	N/A	Section 232
In Development						
Chinese Semiconductors Investigation	Semiconductor industry	China	TBD	3/19/25 (post-hearing comments due)	TBD	Section 301
Chinese Shipbuilding Investigation	Maritime, logistics, and shipbuilding sectors	China	TBD	3/24/25 (comments due)	TBD	Section 301
America First Trade Policy	TBD (reviews of the trade deficit, potential tariffs/countervailing duties, and other trade measures)	Potentially All	TBD	4/1/25 (various reports due)	TBD	Section 232, Section 301
Digital Services Taxes Investigations	TBD (reviews of foreign taxes and regulations on American digital services, cross-border data flows, and intellectual property)	Potentially All (memorandum references the European Union, Canada, Turkey, and the United Kingdom)	TBD	4/1/25 (various reports due)	TBD	Section 232, Section 301

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Tariff Description	U.S. Imports/Goods Affected	Countr(ies) of Origin	Rate ⁶	Effective Date(s)	Expiration Date	Statutory Authorit(ies)
Copper Tariffs	Copper and copper derivatives	Potentially All	TBD	11/22/25 (investigation due to be completed)	TBD	Section 232
Timber Tariffs	Timber, lumber, and their derivative products	Potentially All	TBD	11/26/25 (investigation due to be completed)	TBD	Section 232

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ENDNOTES

- 1 The White House, *Adjusting Imports of Automobiles and Automobile Parts into the United States* (Mar. 26, 2025), <https://www.whitehouse.gov/presidential-actions/2025/03/adjusting-imports-of-automobiles-and-automobile-parts-into-the-united-states/>.
- 2 *Id.*
- 3 Michelle Lee & Chie Tanaka, *Japan, a car-making giant, mulls 'appropriate' response to Trump tariffs*, MSN (Mar. 27, 2025), <https://www.msn.com/en-us/money/markets/japan-a-car-making-giant-mulls-appropriate-response-to-trump-tariffs/ar-AA1BKUz9>
- 4 *EU to assess Trump's auto tariffs decision, says von der Leyen*, REUTERS (Mar. 26, 2025), <https://www.reuters.com/world/europe/eu-assess-trumps-auto-tariffs-decision-says-von-der-leyen-2025-03-26/>
- 5 Rob Gillies, *Canadian Prime Minister Carney calls Trump's auto tariffs a 'direct attack' on his country*, THE ASSOCIATED PRESS (Mar. 27, 2025), <https://apnews.com/article/canada-carney-trump-trade-war-a1ed1bb3bb9d69cc4d88eaeabe3ac16b>
- 6 All rates are additional to any existing tariffs.
- 7 In most cases, the *de minimis* exception allows for duty-free importation of goods by one person on one day with a value of less than \$800. See 19 U.S.C. § 1321(a)(2)(c).
- 8 The *de minimis* exception “shall cease to be available for such articles upon notification by the Secretary of Commerce to the President that adequate systems are in place to fully and expediently process and collect tariff revenue.”
- 9 Preferential tariff treatment is provided for in the USMCA for goods: wholly obtained or produced entirely in the territory of one or more of the countries; produced entirely in the territory of one or more USMCA countries, exclusively from originating materials; or produced entirely in the territory of one or more of the countries and the good satisfies other applicable requirements.
- 10 Josh Boak & Fabiola Sanchez, *Trump Plans Tariffs on Mexico and Canada for Tuesday While Doubling Existing 10 Tariffs on China*, THE ASSOCIATED PRESS (Mar. 27, 2025), <https://www.ap.org/news-highlights/spotlights/2025/trump-plans-tariffs-on-mexico-and-canada-for-tuesday-while-doubling-existing-10-tariffs-on-china/>.
- 11 The memorandum directs the Secretary of Commerce and the United States Trade Representative to, “[a]fter the submission of the [America First Trade Policy] reports due” on April 1, “investigate the harm to the United States from any non-reciprocal trade arrangements adopted by any trading partners.” Those “report[s] detailing proposed remedies in pursuit of reciprocal trade relations with each trading partner” do not have a due date, but President Trump has signaled that he will impose some of these reciprocal duties on April 2, 2025.

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