

Gulfstream Shippers Association LLC - Trade and Tariffs Update

Date: May 12, 2025

Subject: Update on U.S.-China Trade Agreement and Reciprocal Tariffs

We hope this update finds you well. We have some important updates regarding the recent developments in the U.S.-China trade agreement and the reciprocal tariffs that have been in place.

Recent Developments:

Early this morning, the White House released a joint statement on the U.S.-China economic and trade meeting held in Geneva. Here are the key points from the statement:

Reciprocal Tariffs History:

- On April 5th, a 10% reciprocal tariff was imposed on all trade partners, including China.
- On April 9th, the reciprocal rates were set to increase to country-specific rates, with China's rate increasing to 34%, which was later updated to 84%.
- On April 10th, the rate for all countries (except China) was paused at 10%, while China's rate was increased to 125%. This rate of 125% is still in effect today.

New White House Order:

- By May 14th, the U.S. has committed to lowering the reciprocal rate on Chinese imports to 10% for a 90-day period, pending further trade negotiations between the two countries.
- Due to the complexity of making these changes in the US Customs system, it is uncertain if the change will take effect on May 14th.
- We are currently awaiting official announcements from US Customs & Border Protection to provide further guidance.

Official White House Statement:

The joint statement from the White House confirms the following actions:

The United States will:

- Modify the application of the additional ad valorem rate of duty on articles from China by suspending 24 percentage points of that rate for an initial period of 90 days, retaining the remaining ad valorem rate of 10% on those articles.
- Remove the modified additional ad valorem rates of duty on those articles imposed by previous executive orders.

China will:

- Modify the application of the additional ad valorem rate of duty on articles from the United States by suspending 24 percentage points of that rate for an initial period of 90 days, retaining the remaining ad valorem rate of 10% on those articles.
- Remove the modified additional ad valorem rates of duty on those articles imposed by previous announcements.

Next Steps:

We will continue to monitor the situation closely and provide updates as soon as we receive official guidance from US Customs & Border Protection. Please stay tuned for further communications.

Thank you for your attention to this important matter.