

Global Trade at a Crossroads

Geopolitical conditions are undergoing significant transformations. Established structures and long-standing trade practices are increasingly coming under pressure. A key driver of these developments is the current U.S. administration, which is seeking to redefine the role of the United States in global trade. The tariff-related measures introduced—both in scope and in duty rates—deviate markedly from previous norms and are posing new challenges for international economic relations. The recently announced 90-day suspension should be seen as an opportunity to objectively assess the situation and carefully evaluate potential courses of action.

Background

The United States has historically imposed import duties on inbound goods. However, the general tariff rate averaged a relatively moderate 2.5%. Additionally, the U.S. maintains Free Trade Agreements[1] (FTAs) with 20 countries, including Canada, Mexico, Australia, Singapore, and Colombia.

In early February 2025, the U.S. administration imposed tariff increases on imports from Canada and Mexico, despite the existing United States-Mexico-Canada Free Trade Agreement USMCA. Resulting negotiations led to a 30-day deferral of these measures. Concurrently, the tariff rate on Chinese imports was raised by an additional 10 percentage points.

Further tariff packages followed in March: a 25% increase in duties on steel, aluminum, and automobiles, as well as another 10% increase on imports from China. On April 2nd, a general base tariff of 10% was imposed in addition to existing duties, and reciprocal tariffs were enacted against 57 countries[2] – 31% for Switzerland, 20% for the EU, and 37% for Liechtenstein. A duty rate of 34% was imposed on Chinese goods. China's countermeasures led to further escalation in transpacific trade relations. Currently, Chinese imports into the U.S. face duties of 145%, while U.S. exports to China are subject to 125% duties.

Suspension of reciprocal tariffs for 90 days

On the same day the reciprocal tariffs were due to come into effect, i.e. on April 9th, 2025[3] the U.S. administration suspended them for a 90-day period to allow for negotiations. However, it is unrealistic to expect that comprehensive FTAs can be concluded within this window. At best, temporary

executive agreements may be negotiated, pending legislative ratification.

The suspension is valid until July 7, 2025. During this period, imports into the U.S. are subject to existing duties plus the base tariff of 10%. Exceptions include imports from China (duty rate: 145%) and specific product categories such as steel, aluminum, and automobiles, which remain subject to increased duty rates.

What tariff regulations will apply after July 7th, 2025, remains uncertain due to the volatile political climate. There are already indications that pharmaceutical products – previously not subject to tariffs – may become subject, and that certain electronic devices (mobile phones, tablets, computers) and semiconductors may benefit from special rules.

Potential solutions

The 3-month suspension of the reciprocal tariffs is insufficient to enable fundamental changes in global supply chains. Nevertheless, Swiss companies should be aware of the tools that could be used :

Measure	Objective	Time Frame	Impact	Effort	Remarks
Advance shipments during 90-day suspension	Benefit from duty-free or reduced imports	Short-term	High	Low	Possible until July 7, 2025
Optimize customs valuation (e.g., First Sale for Export)	Reduce dutiable value	Short-term	Medium to high	Medium	Requires documentation and contract structuring
Use of U.S. Foreign Trade Zone (FTZ)	Defer or avoid duty payments	Short- to mid-term	High	Medium to high	Effective for processing and re-export scenarios
Review/optimize HTS classification	Use more favorable tariff codes	Short-term	Medium	Low to medium	Reclassification must be legally justifiable
Origin transformation through processing in FTA country	Qualify for FTA tariff preferences	Mid-term	Uncertain	High	Complex rules of origin must be observed
Relocate production or assembly to the U.S.	Achieve U.S. origin or substantial transformation	Mid-term	High	High	Complex rules of origin must be observed
Adjust transfer pricing / structure of importer of record	Minimize duty burden	Short- to mid-term	Medium	Low to medium	Coordination with overall tax strategy required

Conclusion

The 90-day suspension will neither suffice to restructure global supply chains nor to negotiate comprehensive trade agreements. Companies are therefore urged to evaluate alternative strategies and initiate discussions with their U.S. counterparts early on.

[1] https://ustr.gov/trade-agreements/free-trade-agreements

[2] https://www.whitehouse.gov/wp-content/uploads/2025/04/Annex-I.pdf

[3] https://www.whitehouse.gov/presidential-actions/2025/04/modifying-reciprocal-tariff-rates-to-reflect-trading-partner-retaliation-and-alignment/

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Publication date: 17.04.2025