



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

MAY 2025

US trade update

MARKET INTELLIGENCE REPORT

Report

Latest developments

Further to our earlier reporting, please see updates on:

- The US-China deal
 - The US-UK deal
 - Foreign film tariffs
 - Update on section 232 investigations
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The US - China announcement

On 12 May, the US and China agreed to reduce their additional ‘reciprocal’ tariffs from the high levels of 145% and 125% respectively, for a 90-day “pause” – through to mid-August ([see White House Fact Sheet here](#)).

Since 14 May, the US now applies a 30% additional tariff on most imports from China (consisting of 10% ‘reciprocal’ tariff, plus a 20% ‘fentanyl’ tariff), and China will apply a 10% additional tariff on most imports from the US (plus an additional 10% or 15% tariff on specific sectors responsible for approximately one quarter of China’s imports from the US, imposed in response to the US’s ‘fentanyl’ tariffs). These tariffs are additional to each side’s standard ‘MFN’ tariffs.

In addition to the tariff reductions, China agreed to “suspend or remove the non-tariff countermeasures taken against the United States since April 2, 2025”.

The Agreement commits both sides to “establish a mechanism to continue discussions about economic and trade relations”, led on the US side by Secretary of Treasury Scott Bessent and US Trade Representative Jamieson Greer, and on the Chinese side by Vice Premier He Lifeng, with participation by Li Chenggang from China’s Ministry of Commerce (MOFCOM).

The US - UK announcement

On 8 May 2025, during a press conference in the Oval Office, President Donald Trump, on a phone call with UK Prime Minister Keir Starmer, announced the two countries had reached a “trade deal.” This was the first deal announced since President Trump

announced reciprocal tariffs on 2 April. Full details of the deal are not yet available, and both leaders acknowledged it has yet to be finalised. Both the US ([here](#)) and the UK ([here](#)) have released high-level details of the deal, with sector specific outcomes covering beef, ethanol, autos, steel and aluminium, and airplane engines.

US Truth Social post on imported films

On May 5, President Trump posted on Truth Social that he was authorising various US departments to institute a 100% tariff on movies “that are produced in foreign lands.”

The White House subsequently noted that “no final decisions have been made” and at this stage there is no tariff on New Zealand made or produced films.

Section 232 investigation into imports of commercial aircraft, engine and parts

On May 5 2025, the US Department of Commerce published a notice ([link here](#)) that it had initiated an investigation to determine the effects on the national security of imports of commercial aircraft and jet engines, and parts for commercial aircraft and jet engines.

As part of the investigation there is a call for public comments from interested parties and in the case of this investigation comments must be received by June 3, 2025.

This is the latest in a series of section 232 investigations that are under way. This includes:

- Copper
 - Timber
 - Processed critical minerals
 - Pharmaceuticals and pharmaceutical ingredients
 - Semiconductors and semiconductor-manufacturing equipment
 - Trucks
 - And, commercial aircraft, parts and jet engines
-

Recap: Current status of New Zealand exports to the US

A 10% additional tariff applies to most New Zealand goods entering the US, **on top of existing US tariffs**, as per [Executive Order 14257](#).

- After a '90-day pause' on the higher tariffs on 56 countries/economies was

[announced](#) on 9 April, the same tariff currently applies to US imports from almost all countries, with the exception of:

- China (145% additional tariff),
- Canada and Mexico (0% under the US-Mexico-Canada Trade Agreement [USMCA], 25% outside USMCA; sectoral tariffs apply)
- It is not clear what will happen at the end of the 90-day ‘pause’ for countries whose ‘reciprocal tariff’ was above 10%

The [Tariff Finder](#) has been updated to set out the **total tariffs applicable** to New Zealand goods trading into the US, for each US tariff line. It specifies, on a tariff line basis, whether the 10% additional tariff applies, or a 25% sector-specific tariff, or the tariff line is currently exempt from additional tariffs (noted below). Please [contact us](#) with any questions.

Current exceptions to the 10% additional tariff are as follows (as set out in Sec. 3(b) of Executive Order 14257):

- **a 25% additional sectoral tariff** applies to imports of [steel](#), [aluminium](#), including products and derivatives; and [automobiles and some automobile parts](#), instead of the additional 10% tariff.
- **Products currently exempt from the 10% additional tariff are:** copper, pharmaceuticals, semiconductors, lumber/timber, certain critical minerals, and energy and energy products listed in Annex II of [Executive Order 14257](#), plus the additional semiconductor-related products specified by tariff code in [Presidential Memorandum of 11 April](#), ‘Clarification of Exceptions Under Executive Order 14257 of April 2, 2025, as Amended’.
 - Please note that these products may be subject to sector-specific tariffs in future; the US has already commenced national security investigations into:
 - [Copper \(in all forms\)](#) (announced 25 February)
 - [Timber, lumber, and derivative products](#) (1 March)
 - [Processed critical minerals and derivative products](#) (15 April)
 - [Pharmaceuticals and pharmaceutical ingredients](#) (16 April)
 - [Semiconductors and semiconductor-manufacturing equipment](#) (16 April)

· There have been no changes to shipments of low value/de minimis goods from New Zealand – these are still eligible to enter the US duty free if valued under US\$800.

· However, the US has removed the de minimis exemption for Chinese goods since 2 May, and instead, a 54% tariff (or a US\$100 fee) applies per shipment.

Please contact us with any further questions on us.exports@mfat.govt.nz

We have recently updated our FAQs about [US tariffs](#).

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