

Trump reverses course on Colombia tariffs

January 27, 2025

KEY POINTS

- On Sunday evening, US President Donald Trump said the United States would not move forward with plans to impose immediate retaliatory measures against Colombia following President Gustavo Petro's refusal to allow two US military aircrafts carrying Colombian migrants to land in Colombia. Trump had initially announced his administration would impose 25% tariffs on all goods entering the United States, with tariffs set to increase to 50% after a week. Additional measures including visa sanctions and a travel ban against Colombian government officials were also announced.
- According to a White House statement <u>released</u> on Sunday, Colombia's government "agreed to all of Trump's terms, including the unrestricted acceptance of all illegal aliens from Colombia returned from the United States, including on U.S. military aircraft, without limitation or delay." As such, the US government said it would hold the drafted tariffs and sanctions "in reserve." The visa sanctions and enhanced border inspections will remain in effect until the first plane of deportees lands in Colombia. As of Monday morning, Colombians arriving at Dulles—including those with US passports—were subject to secondary questioning.
- The **diplomatic spat between Trump and Petro may serve as a bellwether for other countries in Latin America** as they look to balance domestic priorities with the US government's deportation plans.

OVERVIEW

On Sunday, US President Donald Trump announced via Truth Social that he had directed his administration to "immediately take...urgent and decisive retaliatory measures" against Colombia. Trump said the US government would impose 25% tariffs on all goods entering the United States, with tariffs set to increase to 50% after a week. Other proposed actions include a broad-sweeping travel ban and immediate visa revocations for Colombian government officials and other supporters of the Petro administration. Further visa sanctions were imposed on party members and other allies of the Colombian government. Trump also ordered Customs and Border Protection to increase scrutiny of Colombian nationals and cargo crossing the US border, citing national security concerns, and said banking and financial sanctions will be "fully imposed" on Colombia.

The Trump administration's retaliatory actions follow President Gustavo Petro's refusal to allow two military flights carrying deported Colombian migrants to land in the South American country. The deportation flights come as part of the new administration's sweeping efforts to address illegal migration. On social media platform X, Petro said he denied the flights because "the United States must establish a protocol for the dignified treatment of migrants before we receive them." He added, "We will receive our fellow citizens on civilian planes, without treating them like criminals." Following Trump's comments on Sunday afternoon, Petro doubled down on his criticism of the United States. In a statement on X, the Colombian leader commented, "you can use your economic power and arrogance to try and stage a coup d'état...but I resisted torture and I resist you." Notably, Petro also ordered Colombia's foreign trade minister to impose 25% retaliatory tariffs on American products. Petro later walked back his comments, saying the impasse between the United States and Colombia had been overcome. The Colombian government also reiterated an earlier promise to allow the use of the presidential plane for deportation flights. Colombia's Foreign Minister Luis Gilberto Murillo is set to travel to Washington today for meetings to follow-up on the agreements made yesterday.

Neighboring Latin American countries have also reacted to Trump's measures. On Sunday evening, Honduran President Xiomara Castro—who also serves as president for the Community of Latin American and Caribbean States (CELAC)—<u>called</u> for a regional summit on January 30 to discuss migration-related issues. On Sunday, Petro <u>confirmed</u> that he will attend the summit.



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LOOKING AHEAD

While the **Trump administration ultimately said it would not move ahead with the tariff plans**, the White House statement **reflected Trump's intentions to use the International Emergency Economic Powers Act** (IEEPA). Using the IEEPA would have **provided Trump a domestic legal framework for his actions** by linking the imposition of tariffs to the violation of US national security interests. Although IEEPA has never been used as a justification for tariffs, its precursor statute was used in 1971 to institute a broad-based 10% import tariff, representing the only time relevant emergency authorities have been wielded to do so. *For more information on how the IEEPA could be used to impose tariffs, see the attached memo prepared by MA's trade team lead <u>Kate Kalutkiewicz</u>.*

The actions taken by the Trump administration mark a **notable shift in US-Colombia relations**, suggesting **periods of tension will continue throughout the remainder of Petro's term**, which ends in 2026. On trade, **Colombia may look to diversify its partnerships with other countries** to limit exposure to political and regulatory uncertainty under the Trump administration. This could involve a **deepening of economic and trade ties with US adversaries including China**. In an interview on Sunday, China's Ambassador to Colombia Zhu Jingyang <u>reiterated</u> that diplomatic relations between the countries are stronger than ever. A shift away from Washington—and toward Beijing—would lead to further deterioration of the US-Colombia relationship given the Trump administration's hawkish China policy.

While the **timeline on Trump's tariff actions remains paused for now**, some members of the US Congress have already moved to support the administration's efforts. On Sunday evening, Senator Bernie Moreno (R-OH) <u>announced</u> he and other lawmakers will **introduce legislation this week to impose sanctions on Colombia**. The <u>US State Department</u> and the <u>US Customs and Border Protection</u> also announced progress on implementing some of Trump's other measures. As of Monday morning, Colombians arriving at the Dulles airport—including those with US passports—were subject to secondary questioning.

The standoff between Trump and Petro may serve as a bellwether for other countries in Latin **America** as they look to balance domestic priorities with the US government's deportation plans.