

McLarty Update: “Liberation Day” Country Reactions and Retaliation

April 8, 2025

[This memo is part of the “Liberation Day” series: Find [memo one here](#), [two](#), and [three](#) here, and the full list of reciprocal rates [here](#).]

TOPLINE

This memo further examines the April 2 “Liberation Day” tariff announcements and how foreign countries are reacting to the action from the United States. [According](#) to the White House, the announcements prompted over 50 countries to seek negotiations, many of which have offered unilateral tariff reductions. Thus far, the Trump administration has said it expects countries will also need to reduce their non-tariff barriers alongside tariff reductions to satisfy the President, though we expect growing domestic pressure related to the negative impacts on the US economy and stock market may incentivize the president to take some early wins with select governments. Thus far, very few countries have signaled an intention to retaliate, with the notable exception of China, the European Union, and Canada. A few, including Brazil, the United Kingdom, and Nigeria, have created domestic processes that signal they may consider retaliating. Most other countries seem unlikely to retaliate in the near-term, though McLarty will continue to monitor developments and report out as appropriate.

Given the breadth of all countries listed in President Trump’s actions, this memo focuses on countries most relevant to clients. If there are specific markets of interest not covered in this memo, please reach out.

Note: Countries are listed in alphabetical order by regional block or country name. Market sizes are tabulated by data collated in the Department of Commerce International Trade Administration’s [2024 Annual US Goods Trade Visualization Chart](#) and [2024 Country Reports](#)

ANDEAN REGION (COLOMBIA, ECUADOR, PERU)

- **Reciprocal Tariff Rate:** 10% (all)
- **Size of market (2024):** 22nd (Colombia), 40th (Ecuador), 32nd largest US export market (Peru)
 - **US Exports to Partner:** \$19 billion (Colombia), \$7.5 billion (Ecuador), \$11.2 billion (Peru)
 - **US Imports from Partner:** \$17.6 billion (Colombia), \$8.5 billion (Ecuador), \$9.4 billion (Peru)
 - **Trade Balance with US:** +\$1.3 billion (Colombia) -\$993 million (Ecuador), +\$1.9 billion (Peru)
- **Risk of retaliation:** **Low**

Following the imposition of a 10% baseline tariff, Colombia, Ecuador, and Peru have adopted a broadly conciliatory posture towards the United States:

- Despite Colombian President Gustavo Petro’s critical [stance](#) against the Trump administration’s tariff actions, Colombia will not [impose](#) retaliatory measures against the United States. Rather, the Colombian Foreign Affairs and Commerce ministries [announced](#) on April 3 that the country will diversify its commercial relationships while continuing to collaborate with the United States.
- On April 2, Ecuadorian Foreign Affairs and Trade ministries both [celebrated](#) Ecuador receiving the “lowest level” of tariff possible, promising to strengthen trade ties with the United States, its top commercial partner. The Trade Ministry has [convened](#) meetings with business leaders to decide how to respond with “determination, strategy, and unity” to US tariffs.
- In Peru, Foreign Trade Minister Desilú León [noted](#) on April 2 that many Peruvian exports, including lumber, are exempt from the tariffs and that other Peruvian products are subject to the lowest baseline rate. However, she highlighted agriculture, especially blueberry exports, as a vulnerable sector. As of March 1, timber and lumber are also [subject](#) to a Section 232 investigation, which could threaten Peruvian exporters.

The Peruvian Foreign Trade Ministry [plans](#) to conduct a “careful analysis” of the tariffs’ impact while [maintaining](#) contact with US trade officials to promote Peruvian business interests.

ARGENTINA

- **Reciprocal Tariff Rate:** 10%
- **Size of market (2024):** 38th largest US export market
 - **US Exports to Partner:** \$9.2 billion
 - **US Imports from Partner:** \$7.1 billion
 - **Trade Balance with US:** +\$2.1 billion
- **Risk of retaliation:** **Low**

President Javier Milei, a close ally of President Trump, quickly expressed willingness to meet US demands and traveled to Mar-a-Lago on April 3. During a speech, Milei [emphasized](#) Argentina’s aim to reduce irritants in the trade relationship. Milei said that Argentina will look to “readjust its regulations to meet requirements of US tariff demands” and “harmonize tariffs for a basket of nearly 50 products.” He also said Argentina remains committed to “take necessary steps to resolve asymmetries with the United States as quickly as possible.”

Milei will likely continue to downplay the impact of US tariffs, betting that his close relationship with Trump could lead to more favorable treatment, while keeping the door open to a potential limited trade or investment promotion agreement. For now, however, Milei remains more focused on securing full US support to finalize Argentina’s new program with the IMF.

AUSTRALIA

- **Reciprocal Tariff Rate:** 10%
- **Size of market (2024):** 14th largest US export market
 - **US Exports to Partner:** \$34.6 billion
 - **US Imports from Partner:** \$16.7 billion
 - **Trade Balance with US:** +\$17.9 billion
- **Risk of retaliation:** **Low**

Prime Minister Anthony Albanese has criticized the 10% baseline tariff imposed on Australia, [saying](#): “Australia does not impose tariffs on the United States. A reciprocal tariff would be zero. The administration’s tariffs have no basis in logic - and they go against the basis of our two nations’ partnership. This is not the act of a friend.” Nevertheless, he affirmed Australia would not impose retaliatory tariffs on the United States, as it would only raise prices for Australian consumers. Australia is likely to wait until after its May 3rd general election to discuss tariffs with the Trump administration.

Trade Minister Don Farrell said Australia was opening new exports markets in India and the Middle East and would seek to revive free trade negotiations with the European Union that had stalled last year over access for Australian beef. The government also [indicated](#) it may resort to dispute resolution mechanisms within the [2005 US-Australia FTA](#). Australia is also [working](#) on a plan to stockpile key critical minerals to use as strategic leverage against the United States, with the goal to negotiate an exemption from the 10% tariff.

BRAZIL

- **Reciprocal Tariff Rate:** 10%
- **Size of market (2024):** 9th largest US export market
 - **US Exports to Partner:** \$49.7 billion
 - **US Imports from Partner:** \$42.3 billion
 - **Trade Balance with US:** +\$7.4 billion
- **Risk of retaliation:** **Medium**

President Luiz Inácio Lula da Silva [said](#) that Brazil “will take all necessary measures to defend our companies and workers,” and highlighted the new tools the Brazilian Congress has afforded their head of state. On April 2, Brazil’s Congress [passed](#) “reciprocity bill” PL 2088/2023, which expands authority of the Brazilian executive to implement reciprocal tariffs or countermeasures on foreign goods. The bill will allow the Foreign Trade Chamber (Camex) of the Ministry of Development, Industry, Trade, and Services (MDIC) to suspend trade concessions “in response to

actions, policies, or unilateral practices of a country or economic bloc that impact the international competitiveness of Brazilian goods and products.”

The US trade surplus with Brazil—which was \$7.4 billion in 2024, and upwards of \$28 billion including services—may have offset Brazil’s relatively high VAT burdens and non-tariff barriers that risked driving tariff treatment higher.

Despite only receiving the base-level tariff duty, the Lula Administration has laid the groundwork for potential retaliatory measures, particularly if negotiations fail to alleviate more significant 25% tariffs on steel and aluminum for which Brazilian government officials continue to [lobby](#) Washington for exemptions.

CAMBODIA

- **Reciprocal Tariff Rate:** 49%
- **Size of market (2024):** 117th largest US export market
 - **US Exports to Partner:** \$322 million
 - **US Imports from Partner:** \$16 billion
 - **Trade Balance with US:** -\$13 billion
- **Risk of retaliation:** **Low**

The reciprocal tariffs announced on Cambodia are one of the highest in the world, prompting Prime Minister Hun Manet to [write](#) President Trump stating that the country would be willing to drop tariffs of US goods in 19 categories from the maximum 35% tariff bound rate to a 5% applied tariff rate. A task force at the Ministry of Economy and Finance has reviewed the implications of the tariff increase and [intends](#) to “take concrete and thorough measures to ensure that our economy remains competitive and continues to grow, benefiting citizens’ employment opportunities.”

CANADA

- **Reciprocal Tariff Rate:** 12%, if existing IEEPA 25% tariff resolved (see below)
- **Size of market (2024):** 1st largest US export market
 - **US Exports to Partner:** \$348 billion
 - **US Imports from Partner:** \$412 billion
 - **Trade Balance with US:** -\$64 billion
- **Risk of retaliation:** **Retaliated** ([Link to retaliatory actions](#))

While Canada was not subject to additional levies under the April 2 global tariff regime, Canadian Prime Minister Mark Carney [announced](#) several countermeasures on April 3 in response to previously [announced](#) US auto tariffs. The measures include 25% tariffs on all vehicles imported from the United States that are not compliant with the United States-Mexico-Canada Agreement (USMCA) and on all non-Canadian content of USMCA-compliant vehicles from the United States. Carney [noted](#) revenue from the tariffs will directly support Canada’s auto industry by incentivizing production and investment in the country. In contrast with US tariffs, Canada’s countermeasures will not impact auto parts.

On the heels of a recent meeting with provincial and territorial premiers, Carney [said](#) that Canada’s “relationship of steadily deepening integration with the United States is over.” He added that the country would look to deepen its economic and trade relations with Mexico and the European Union but emphasized Canada would remain a US ally in security and defense. If President Trump ends the tariffs levied due to the border security and fentanyl emergency, Canadian goods without North American origination would receive a 12% reciprocal tariff.

CENTRAL AMERICA (COSTA RICA, EL SALVADOR, GUATEMALA, HONDURAS, NICARAGUA, PANAMA)

- **Reciprocal Tariff Rate:** 10% (most), 18-19% (Nicaragua)
- **Size of market:** 36th (Costa Rica), 48th (El Salvador), 35th (Guatemala), 41st (Honduras), 63rd (Nicaragua), 33rd largest US export market (Panama)
 - **US Exports to Partner** \$9.7 billion (Costa Rica), \$4.6 billion (El Salvador), \$9.7 billion (Guatemala), \$7.1 billion (Honduras), \$2.9 billion (Nicaragua), \$10.7 billion (Panama)

- **US Imports from Partner:** \$11.6 billion (Costa Rica), \$2.3 billion (El Salvador), \$5.0 billion (Guatemala), \$5.5 billion (Honduras), \$4.6 billion (Nicaragua), \$556 million (Panama)
- **Trade Balance with US:** -\$1.9 billion (Costa Rica), +\$2.3 billion (El Salvador), \$4.7 billion (Guatemala), +\$1.5 billion (Honduras), -\$1.7 billion (Nicaragua), +\$10.2 billion (Panama)
- **Risk of retaliation:** **Low**

Following President Trump's April 2 reciprocal tariff announcement, Costa Rica, El Salvador, Guatemala, Honduras, and Panama face a universal baseline tariff of 10%. Nicaragua, the only country in this group to maintain a trade surplus with the United States, is subject to an additional 18-19% rate. While the Executive Order [suggests](#) Nicaragua will face an additional 19% rate, a separate document provided by the White House [lists](#) an 18% rate for Nicaragua.

Most governments in the region have agreed to collaborate with the United States on a solution for the tariffs. None of these countries have yet announced retaliatory action against the United States:

- Costa Rican President Rodrigo Chaves [downplayed](#) the impact of tariffs on April 2, saying "If the sea rises and lifts all boats at the same time, it's a new reality, and we aren't being punished in that sense." The Costa Rican Trade Ministry [announced](#) it would "table a dialogue with the US government to achieve the best market access conditions for Costa Rican products."
- The Guatemalan Trade Ministry [released](#) a statement saying that the announced tariffs violate the Dominican Republic-Central American Free Trade Agreement (CAFTA-DR). However, it also stated that "from our perspective, there exists space for diplomatic and trade negotiations...to resolve the trade barriers" against US products identified by the US government.
- Honduran Foreign Minister Enrique Reina [announced](#) that the country will use diplomatic channels to reach a solution with the United States. Reina noted that the Honduran government has "not yet decided on a reciprocal measure," but ruled out the possibility of a trade war with the United States and highlighted the countries' long-standing commercial relationship.
- Nicaraguan Vice President Rosario Murillo, currently serving as the country's co-president alongside Daniel Ortega, [noted](#) on April 3 that Nicaragua has convened economic teams to analyze the 18-19% tariff's scope and impact.
- On April 4, the Panamanian Ministry of Commerce and Industry (MICI) [released](#) a statement indicating the government would analyze the impact of tariffs and called for trade measures to "be in line with the commitments that all countries have made within the framework of the WTO Agreements and bilaterally."
- El Salvador has yet to issue an official public statement on the tariffs. However, on April 2, Salvadoran President Nayib Bukele [tweeted](#) about his April 14 visit to the White House, signaling his interest in maintaining friendly relations with the United States.

CHILE

- **Reciprocal Tariff Rate:** 10%
- **Size of market (2024):** 23rd largest US export market
 - **US Exports to Partner:** \$18.2 billion
 - **US Imports from Partner:** \$16.5 billion
 - **Trade Balance with US:** +\$1.7 billion
- **Risk of retaliation:** **Low**

In response to President Trump announcing 10% reciprocal duty rates on Chile, the country's Ministry of Foreign Affairs [issued](#) a statement on April 2 that emphasized exemptions for copper exports—which may be temporary—as well as the lack of any Chilean trade irritants listed in the White House's corresponding [Executive Order](#). However, President Boric, in comments made during a trip to India, made his most critical public comments of President Trump to date, and emphasized Chile's efforts to "deepen diversification of exports" in response to "unilateral decisions."

CHINA

- **Reciprocal Tariff Rate:** 34%
- **Size of market (2024):** 3rd largest US export market
 - **US Exports to Partner:** \$144 billion
 - **US Imports from Partner:** \$439 billion
 - **Trade Balance with US:** -\$295 billion
- **Risk of retaliation:** **Retaliated** ([Link to retaliatory actions](#))

A China-specific trade memo can be found [here](#).

In response to US reciprocal tariffs – which bring cumulative tariffs on China to an [estimated](#) 76% – China’s Ministry of Commerce [issued](#) a statement on April 3, saying that “China firmly opposes this move and will resolutely take countermeasures to safeguard its own rights and interests.” China announced a series of retaliatory measures with immediate effect and its own reciprocal tariff on the U.S. effective April 10.

President Trump immediately responded to China’s retaliation by [posting](#) on his Truth Social that “China played it wrong, they panicked.” China’s state media outlet, the People’s Daily, [ran](#) two commentaries on the tariff war, saying that “the sky won’t fall” because of the tariffs, but added that “our door for negotiation is not shut.” On April 7, President Trump [demanded](#) that China rescinds its retaliatory measures directed at the US or face an additional 50% tariff beginning on April 9.

EUROPEAN UNION (ALL 27 EU [MEMBER STATES](#))

- **Reciprocal Tariff Rate:** 20%
- **Size of market (2024):** 1st largest US export market (*if all members combined*)
 - **US Exports to Partner:** \$370 billion (*if all members combined*)
 - **US Imports from Partner:** \$605 billion (*if all members combined*)
 - **Trade Balance with US:** -\$235 billion
- **Risk of retaliation:** **High** ([List of proposed retaliatory actions](#))

European leaders voiced strong criticism to the new tariffs, while signaling a readiness to negotiate or retaliate if necessary. European Commission President Ursula von der Leyen [called](#) the tariffs “a major blow to the world’s economy,” and emphasized that the EU has a “strong plan” should talks break down. French President Emmanuel Macron labeled the tariffs “brutal and unfounded,” suggesting a possible counteraction on digital services. German Chancellor Olaf Scholz described them as “an attack on the trade system,” while Italian Prime Minister Giorgia Meloni, though critical of the tariffs, urged against rushing into a trade war. Despite its rhetoric, the EU is moving cautiously; the 27 trade ministers met on April 7 to begin formal deliberations that could take time to come to an agreed-upon response. Trade Commissioner Maroš Šefčovič stated that the EU response will be “calm, carefully phased, [and] unified,” leaving space for negotiations while warning that the EU “won’t stand idly by.” The EU has for example repeatedly made an offer to the U.S. to eliminate all tariffs on industrial goods, cars in particular.

The EU’s reaction is expected to unfold in phases. It has already [allowed](#) the suspension of retaliatory tariffs on US steel and aluminum to expire as of March 31 but is delaying implementation while considering broader measures in response to increased US tariffs. The [countermeasures](#), which are expected to amount to less than the planned €26bn in U.S. goods with duties, will take effect between April 15 and December 1, depending on the product. A more complex decision lies ahead regarding the 25% tariff on cars and the 20% blanket tariff on EU exports, with initial assessments suggesting up to €380 billion in trade could be affected. The EU is weighing its legal options, including action through the WTO, its Enforcement Regulation, and the [Anti-Coercion Instrument](#), which would allow more flexible responses such as targeting services or intellectual property. Under EU rules, retaliation measures require consultation with member states and stakeholders but can be approved without unanimity, ensuring the Commission has a clear path forward even amid differing national views.

NON-EEA COUNTRIES (ICELAND, LIECHTENSTEIN, NORWAY, SWITZERLAND)

- **Reciprocal Tariff Rate:** 10% (Iceland), 37% (Liechtenstein), 15% (Norway), 31% (Switzerland)
- **Size of market:** 84th (Iceland), 162nd (Liechtenstein), 47th (Norway), 20th largest US export market (Switzerland)
 - **US Exports to Partner:** \$986 million (Iceland), \$66 million (Liechtenstein), \$4.5 billion (Norway), \$25 billion (Switzerland)
 - **US Imports from Partner:** \$1.0 billion (Iceland), \$244 million (Liechtenstein), \$6.5 billion (Norway), \$63.5 billion (Switzerland)
 - **Trade Balance with US:** -\$87 million (Iceland), -\$178 million (Liechtenstein), -\$2.0 billion (Norway), -\$38.5 billion (Switzerland)
- **Risk of retaliation:** **Low**

Non-EU European countries received tariff rates that differ from the European Union rate -- Iceland (10%), Liechtenstein (37%), Norway (15%), and Switzerland (31%). While these countries are free to set their own retaliatory rates, all listed have signaled they will coordinate closely with the EU on any responses.

- Liechtenstein's government [announced](#) it would set up a US tariff task force to analyze the tariffs and consider possible measures in reaction. Liechtenstein sets its tariffs in coordination with Switzerland.
- Swiss President Keller-Sutter [said](#) the government regretted the tariffs but would not impose any immediate retaliatory measures and instead coordinate closely with the EU.
- Norwegian Finance Minister Stoltenberg [said](#) Norway was in touch with the EU to make sure it falls within any trade barriers the EU might impose on the US in reaction. "Let's see what the EU does first," he said. Iceland [said](#) it would closely coordinate with Norway and the EU.

INDIA

- **Reciprocal Tariff Rate:** 26%
- **Size of market (2024):** 13th largest US export market
 - **US Exports to Partner:** \$41.8 billion
 - **US Imports from Partner:** \$87.4 billion
 - **Trade Balance with US:** -\$45.6 billion
- **Risk of retaliation:** **Low**

In response to the US's new 26% reciprocal tariff on India, the Indian Department of Commerce issued a [statement](#) noting that it is consulting with industry stakeholders to assess the implications of the tariff and explore potential opportunities arising from the shift in US trade policy. The statement reaffirmed India's commitment to ongoing negotiations with US on a multisectoral bilateral trade agreement aimed at doubling bilateral trade to \$500 billion by 2030, as part of India's "Mission 500" initiative [announced](#) in February 2025.

Sources have conveyed to McLarty staff that India was very willing to dig in deeply on tariff cuts as part of a deal, affirming that India's protectionism is "really all about China." India also reasserted its intention to deepen engagement with the US under the India-US COMPACT framework, focusing on trade, investment, supply chains, and technology.

INDONESIA

- **Reciprocal Tariff Rate:** 32%
- **Size of market (2024):** 34th largest US export market
 - **US Exports to Partner:** \$10.2 billion
 - **US Imports from Partner:** \$28.1 billion
 - **Trade Balance with US:** -\$17.9 billion
- **Risk of retaliation:** **Low**

Responding to the new 32% reciprocal duty rates imposed by President Trump, the Indonesian Foreign Affairs Ministry **emphasized** that the tariff will significantly impact Indonesia's export competitiveness. The country has begun coordinating its response, with President Prabowo Subianto instructing ministers to streamline regulations and remove non-tariff barriers to boost competitiveness, investor confidence, and economic growth. The Presidential Communications Office **announced** measures taken by Prabowo to anticipate global turmoil, such as expanding Indonesia's list of trading partners. The country is also drafting responses to issues in the 2025 National Trade Estimate (NTE) report by USTR while it prepares to send a high-level delegation to Washington to engage US counterparts. Until a resolution can be negotiated, the government has encouraged Indonesian exporters to assess other markets, and it will try to accelerate a long pending trade agreement with the European Union.

On April 6, Coordinating Minister for Economic Affairs Airlangga Hartarto **confirmed** that the Indonesian authorities would not impose retaliatory tariffs on the United States. Instead, the Government will "coordinate across ministries and institutions and establish communication with USTR, the US Chamber of Commerce, and other partner countries" to identify "appropriate" responses to the reciprocal tariffs. Analysts have **predicted** that the tariffs could lead to a recession in Indonesia's economy by the fourth quarter of 2025. On April 7, the country's central bank **announced** it would "intervene aggressively" in the domestic market after the rupiah plunged to a multi-year low.

ISRAEL

- **Reciprocal Tariff Rate:** 17%
- **Size of market (2024):** 27th largest US export market
 - **US Exports to Partner:** \$14.8 billion
 - **US Imports from Partner:** \$22.2 billion
 - **Trade Balance with US:** -\$7.4 billion
- **Risk of retaliation:** **Low**

Israeli Finance Minister Bezalel Smotrich **said** he would convene ministry officials to develop a strategic response to the reciprocal tariff announcement, where officials would discuss "how to analyze opportunities and risks and formulate courses of action." Most of Israel's exports to the US comprise high-tech services that will not be tariffed. The President of Israel's Manufacturers' Association said it would seek new export markets and continue to work to change the US tariff decision or lower the scope. The day before Trump's tariffs announcement, Israel had moved to **cancel** its remaining tariffs on imports from the United States, hoping to avoid any reciprocal tariffs.

According to media reports, Israeli Prime Minister Benjamin Netanyahu has **spoken** to President Trump on April 3 about the new tariffs policy. Netanyahu has also **met** with President Trump on April 7 at the White House to discuss tariffs and other issues (the first foreign leader to meet with Trump since the announcement of the new tariffs policy), after having **met** with Commerce Secretary Howard Lutnick and US Trade Representative Jamieson Greer on April 6. Netanyahu has **said** that Israel plans to eliminate its trade surplus with the United States and eliminate trade barriers as well. However, when **asked** by reporters whether he planned to reduce the 17% tariffs placed on Israel, President Trump did not make any promises.

JAPAN

- **Reciprocal Tariff Rate:** 24%
- **Size of market (2024):** 6th largest US export market
 - **US Exports to Partner:** \$79.7 billion
 - **US Imports from Partner:** \$148 billion
 - **Trade Balance with US:** -\$68.4 billion
- **Risk of retaliation:** **Low**

Prime Minister Shigeru Ishiba **outlined** Japan's multilayered response at a press conference on April 3. The Prime Minister expressed Japan's "disappointment" with the measures, stressed that such restrictions would have a "major impact" on the bilateral economic relationship and the global economy, and expressed his government's "serious concern" about the consistency of Trump's measures with WTO standards. He also highlighted the fact that "Japan has been the world's largest investor in the United States since 2019" and pointed to the major role Japanese companies and automobile manufacturers play in the US economy. To protect domestic industry from harm, Japan has **prepared** support measures.

The Prime Minister gathered cabinet ministers and directed them to form a task force, which met to assess the reciprocal tariffs' impact and further detail a response. While Japan's Trade Minister Yoji Muto did not rule out retaliatory measures, they are unlikely to be implemented given the potential impact on the bilateral security relationship and Japan's current struggle to contain its cost-of-living crisis. Muto stressed the need for "calm and measured" decision making, confirming he would take "all necessary measures" to respond. President Trump and Prime Minister had a call to discuss tariffs on April 7, where Ishiba described the US tariffs to be extremely regrettable and asked President Trump to reconsider the tariffs. Ishiba also highlighted Japan's status as the largest foreign direct investor in the US. Ishiba also told reporters that he is willing to visit the US at the most appropriate time. President Trump also noted that Japan is sending "a top team" to negotiate. Prime Minister Ishiba appointed Minister of State for Economic and Fiscal Policy Ryosei Akazawa to lead trade negotiations with the US, and Treasury Secretary Bessent and USTR Greer will oversee negotiations with Japan from the US.

KENYA

- **Reciprocal Tariff Rate:** 10%
- **Size of market (2024):** 87th largest US export market
 - **US Exports to Partner:** \$783 million
 - **US Imports from Partner:** \$737 billion
 - **Trade Balance with US:** \$45 billion
- **Risk of retaliation:** **Low**

Following meetings in Washington, DC, Cabinet Secretary for Investments, Trade, and Industry, Lee Kinyanjui issued a statement characterizing the 10% reciprocal tariff on Kenya as presenting "both challenges and opportunities." He highlighted that the levy on Kenya was far lower than on other textile-exporting countries (like Vietnam and Sri Lanka), meaning that Kenya's garment makers now have a competitive advantage compared to their Asian competitors. He did not suggest any retaliatory measures.

MALAYSIA

- **Reciprocal Tariff Rate:** 24%
- **Size of market (2024):** 18th largest US export market
 - **US Exports to Partner:** \$27.7 billion
 - **US Imports from Partner:** \$52.5 billion
 - **Trade Balance with US:** \$24.8 billion
- **Risk of retaliation:** **Low**

On April 3, Malaysia's Ministry of Investment, Trade, and Industry said it "views these tariffs seriously and is actively engaging with the US authorities to seek solutions that will uphold the spirit of free and fair trade. In upholding such spirit, Malaysia is not considering retaliatory tariffs."

Prime Minister Anwar Ibrahim convened an emergency April 4 Cabinet meeting to discuss the situation. To mitigate the tariff impacts, MITI highlights that Malaysia will expand its export markets by prioritizing non-US high-growth regions and leveraging existing free trade agreements including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the Regional Comprehensive Economic Partnership (RCEP), of which China is a member.

On April 6, PM Anwar Ibrahim said that, as this year's ASEAN Chair, Malaysia would "lead efforts to present a united regional front" to the Trump administration's reciprocal tariffs. "We should stand firm as a large bloc. ASEAN has a population of 640 million, and its economic strength is among the leading in the world when combined," he affirmed. Trade & Industry Minister Zafrul Aziz is set to meet with his ASEAN counterparts on April 10 to "formulate and align our position."

MEXICO

- **Reciprocal Tariff Rate:** 12%, if existing IEEPA 25% tariff resolved (see below)
- **Size of market (2024):** 2nd largest US export market
 - **US Exports to Partner:** \$334 billion
 - **US Imports from Partner:** \$506 billion
 - **Trade Balance with US:** +\$172 billion
- **Risk of retaliation:** **Low**

Mexican President Claudia Sheinbaum **celebrated** that Mexico was exempted from the reciprocal tariff announcement. Sheinbaum did not announce any retaliatory measures and credited her government for constructing a positive relationship with the United States based on mutual respect.

Sheinbaum said that Mexico is still maintaining dialogue with the US government, especially between Mexican Economy Minister Marcelo Ebrard and US Commerce Secretary Howard Lutnick, regarding automotive, steel, and aluminum tariffs. Ebrard, who plans to travel to Washington this week to participate in negotiations, noted that Canada and Mexico were the only two countries unaffected by reciprocal tariffs on free trade partners and hopes to carve out preferential treatment. Ebrard said that over the next 40 days, Mexico will work to "achieve the best conditions of all the countries in the world" for its automotive, steel, and aluminum sectors.

On April 3, President Sheinbaum **convened** her cabinet, congressional leadership, business leaders, and workers' unions to reiterate her previous comments and announced plans to accelerate public works projects and expedite initiatives on domestic production and energy and food self-sufficiency. In response to US steel and auto tariffs, Sheinbaum will publish decrees on May 5 and May 16, respectively, with specific measures to incentivize local steel and auto production for the domestic market.

If President Trump ends the tariffs levied due to the border security and fentanyl emergency, Mexican goods without North American origination would receive a 12% reciprocal tariff.

NEW ZEALAND

- **Reciprocal Tariff Rate:** 10%
- **Size of market (2024):** 49th largest US export market
 - **US Exports to Partner:** \$4.5 billion
 - **US Imports from Partner:** \$5.6 billion
 - **Trade Balance with US:** -\$1.1 billion
- **Risk of retaliation:** **Low**

While affirming that New Zealand would not retaliate, Prime Minister Christopher Luxon **voiced** his displeasure with US actions and stated that New Zealand was "well positioned" to pursue new export opportunities elsewhere. Foreign Minister Winston Peters **indicated** he was "delighted" that New Zealand had only been hit with the baseline tariff rate of 10%.

NIGERIA

- **Reciprocal Tariff Rate:** 14%
- **Size of market (2024):** 53rd largest US export market
 - **US Exports to Partner:** \$4.1 billion
 - **US Imports from Partner:** \$5.6 billion
 - **Trade Balance with US:** -\$1.5 billion
- **Risk of retaliation:** **Medium**

Nigeria's Ministry of Foreign Affairs **indicated** that Nigeria would adopt a policy of reciprocity in response to the 14% reciprocal tariffs, though it has not shared specifics. Nigeria said that it is analyzing the details of the US levy to determine the appropriate countermeasures.

PHILIPPINES

- **Reciprocal Tariff Rate:** 17%
- **Size of market (2024):** 37th largest US export market
 - **US Exports to Partner:** \$9.2 billion
 - **US Imports from Partner:** \$14.1 billion
 - **Trade Balance with US:** -\$4.9 billion
- **Risk of retaliation:** **Low**

Receiving one of the lowest reciprocal duty rates of all their Southeast Asian neighbors, the Philippines government response to President Trump's reciprocal tariff has focused on creating new opportunities for the country. Filipino senior government officials [noted](#) that the impact of the new tariff will be "very minimal," and [emphasized](#) that the relatively lower tariff rate among neighbors puts the country in a more advantageous position that could attract foreign direct investment. The Marcos administration is prepared to discuss "enhanced market access" for key US "export interests, such as automobiles, dairy products, frozen meat, and soybeans" and has already reached out to US counterparts to set up talks. On April 6, Philippines' Trade Secretary Cristina Roque [noted](#) that the country is considering cutting tariffs on goods imported from the United States.

SINGAPORE

- **Reciprocal Tariff Rate:** 10%
- **Size of market (2024):** 10th largest US export market
 - **US Exports to Partner:** \$46 billion
 - **US Imports from Partner:** \$43.2 billion
 - **Trade Balance with US:** +\$2.8 billion
- **Risk of retaliation:** **Low**

Despite receiving the baseline tariff rate, Deputy Prime Minister and Minister for Trade and Industry Gan Kim Yong [emphasized](#) that the impact will be significant given the dependence on foreign trade for Singapore's economy. Gan noted that the country's official growth forecasts may need to be revised, and that the government would introduce measures to help households and businesses, if necessary. Gan also emphasized that Singapore would engage with ASEAN and other trade partners to boost trade flows. Prime Minister Lawrence Wong [confirmed](#) the island would not pursue retaliatory countermeasures, and so far has [declined](#) to pursue remediation within the terms of the US-Singapore Free Trade Agreement to prevent an escalating trade war.

SOUTH AFRICA

- **Reciprocal Tariff Rate:** 30%
- **Size of market (2024):** 43rd largest US export market
 - **US Exports to Partner:** \$5.8 billion
 - **US Imports from Partner:** \$14.7 billion
 - **Trade Balance with US:** -\$8.9 billion
- **Risk of retaliation:** **Low**

President Cyril Ramaphosa [said](#) that South Africa would not retaliate and instead is seeking a deal between the two countries. Despite the US-South African bilateral relationship further souring as of late, the South African government [remains](#) hopeful to launch negotiations for a new bilateral trade agreement. South Africa's Trade Minister Parks Tau [announced](#) he is planning a visit to the US to discuss the recently imposed US tariffs. The 30% tariff is the seventh highest in Africa and detrimental to South Africa's relationship with its second-largest trading partner.

SOUTH KOREA

- **Reciprocal Tariff Rate:** 25%
- **Size of market (2024):** 8th largest US export market
 - **US Exports to Partner:** \$65.5 billion
 - **US Imports from Partner:** \$132 billion
 - **Trade Balance with US:** -\$66 billion
- **Risk of retaliation:** **Low**

A South Korea-specific trade and political developments memo can be found [here](#).

Domestic political turmoil has taken precedence over coordinated response to the US reciprocal tariff action, and will likely not subside until the presidential election can take place in June. Acting President Han Duck-soo on April 3 convened an emergency meeting of the recently elevated economic and security strategy task force tasking the industry minister with analyzing the tariffs and [promised](#) a focus on negotiations with the US at every level to minimize impacts on Korean companies. Emergency relief measures for the auto industry are expected to be introduced shortly, followed by measures for other industries. Korean companies are additionally concerned with the high tariff placed on Vietnam, as Korean companies [invested](#) over \$85.9 billion in Vietnam over the last few years. Korean Samsung Electronics' exports to the US and elsewhere from Vietnam amounted to \$54.4 billion last year, amounting to 14% of total Vietnamese exports.

The tariff rate on Korea is the highest among US FTA partners, and there is growing criticism on how a lack of political leadership precipitated by the declaration of martial law and the subsequent impeachment of now ousted President Yoon Suk Yeol led to a lack of proper interactions with Washington. Seoul has hoped that Korea's [role](#) as a major investor in the US will somewhat help to address President Trump's new tariffs. On April 8, President Trump and Acting President Han [had](#) a call to discuss the bilateral trade deficits, tariffs, US LNG purchases, shipbuilding, and cost-sharing of the US troops in South Korea.

TAIWAN

- **Reciprocal Tariff Rate:** 32%
- **Size of market (2024):** 12th largest US export market
 - **US Exports to Partner:** \$42.3 billion
 - **US Imports from Partner:** \$116 billion
 - **Trade Balance with US:** -\$73.9 Billion
- **Risk of retaliation:** [Low](#)

President Lai Ching-te [called](#) the measures “unreasonable” and raised concern regarding their impact on the global economy. In a statement, Taiwan's Presidential cabinet stated it would continue talks with Washington on the reciprocal tariff measures and seek clarification on how the duties were tabulated, with the goal of a “zero tariff” rate as a negotiation starting point. To manage domestic business impacts, Taiwan Premier Cho Jung-tai [unveiled](#) a support plan which would provide up to \$2.67 billion in financial support to affected companies, especially those in the electronics and steel industries. Finance Minister Chuang Tsui-yin also stated that the government would provide interest rate reduction on loans up to \$6 million for exporters struggling to manage the new conditions. President Lai later [announced](#) on April 6 that the island would not retaliate to the reciprocal tariffs and that Taiwanese companies' US investments would proceed without changes.

THAILAND

- **Reciprocal Tariff Rate:** 36%
- **Size of market (2024):** 24th largest US export market
 - **US Exports to Partner:** \$17.7 billion
 - **US Imports from Partner:** \$63.3 billion
 - **Trade Balance with US:** +\$45.6 billion
- **Risk of retaliation:** [Low](#)

Prime Minister Paetongtarn Shinawatra [emphasized](#) that the country was ready to discuss the tariffs with the United States at the “earliest opportunity” to achieve a fair-trade balance that minimizes disruption to both economies. Paetongtarn also [charged](#) the Ministry of Finance and the Ministry of Commerce with leading a working group to formulate Thailand's response to US tariffs. The government signaled that it is prepared to offer “mitigation measures” to support exporters that are particularly exposed and encouraged exporters “to seek new potential markets to reduce reliance on a single market.” The government also [announced](#) that it would move to increase imports of energy, aircraft, and agricultural products from the United States. Minister of Finance Pichai Chunhavajira [warned](#) that Thailand may see a percentage point reduction in economic growth this year due to the tariffs. Finance Minister Pichai Chunhavajira will lead a delegation to Washington during the week of April 7 to meet with US officials.

TÜRKİYE

- **Reciprocal Tariff Rate:** 10%
- **Size of market (2024):** 26th largest US export market
 - **US Exports to Partner:** \$15.2 billion
 - **US Imports from:** \$16.7 billion
 - **Trade Balance with US:** -\$1.5 billion
- **Risk of retaliation:** **Low**

Türkiye's Customs Union agreement with the EU limits the country's decision-making, as this agreement obliges Türkiye to match EU-imposed tariffs on US goods covered by the Customs Union. Turkish government officials have expressed confidence that Ankara's diversified trade networks around the world, as well as the country's role as a regional hub, will help reduce the impact of US tariffs. Nevertheless, the US is one of Türkiye's largest export markets.

On April 4, Turkish Trade Minister Ömer Bolat [said](#) the country plans to ramp up trade efforts with the US to negotiate for the removal of the new tariffs and described the 10% tariffs as the "best of the worst" given the higher rates imposed on many other countries.

UNITED KINGDOM

- **Reciprocal Tariff Rate:** 10%
- **Size of market (2024):** 5th largest US export market
 - **US Exports to Partner:** \$79.9 billion
 - **US Imports from Partner:** \$68.1 billion
 - **Trade Balance with US:** +\$11.8 billion
- **Risk of retaliation:** **Low**

Taking a distinct approach compared to other world leaders, Prime Minister Keir Starmer [told](#) business leaders gathered at Downing Street that President Trump "acted for his country," using his mandate. His reaction was decidedly muted, also given the relatively low tariff rate imposed on the UK. Starmer said "there will be an economic impact," adding the UK had "a fair and balanced trade relationship with the US." He reiterated that his government's attention was to "secure a deal," citing the ongoing negotiations for a trade deal. In a [statement](#) to Parliament, UK Trade Secretary Reynolds said the government was "disappointed" by the tariff hike on the UK but argued that the low rate of 10% "vindicates the pragmatic approach this Government has taken."

Despite taking an approach prioritizing negotiation, the UK government is [asking](#) businesses and stakeholders to provide input for potential retaliatory actions, and provided a [list](#) of US products that could be in scope for retaliatory tariffs. The deadline for responding to the consultation is May 1.

VENEZUELA

- **Reciprocal Tariff Rate:** 15% + Secondary Tariff
- **Size of market (2024):** 52nd largest US export market
 - **US Exports to Partner:** \$4.2 billion
 - **US Imports from Partner:** \$6.0 billion
 - **Trade Balance with US:** -\$1.8 billion
- **Risk of retaliation:** **Low**

Venezuela is one of four Latin American countries that faces a tariff rate higher than the baseline. The levy comes as the Trump administration has introduced other trade and economic measures meant to restrict the Venezuelan regime's access to financing. On March 24, President Trump [announced](#) "secondary tariffs" on all countries that import Venezuelan oil, citing the country's threat to US national security interests. As of April 2, the 25% tariff can be imposed at Secretary of State Marco Rubio's discretion and expires one year after the last date on which the country imported Venezuelan oil, or at an earlier date as determined by the US government. However, these duties have not been imposed yet. Shipments of Venezuelan oil to the United States, which constitute the bulk of the country's exports, will not be impacted by 25% tariff.

Venezuelan leader Nicolás Maduro's response to the global reciprocal tariffs has been relatively muted thus far, perhaps signaling his openness to future negotiations with Washington. While Maduro [denounced](#) the tariffs as part of the United States' "economic war" on April 2, his regime has not announced any retaliatory actions. In a video posted to Telegram, Maduro [stated](#) "whatever disturbances arise, we are facing them."

VIETNAM

- **Reciprocal Tariff Rate:** 46%
- **Size of market (2024):** 29th largest US export market
 - **US Exports to Partner:** \$13.1 billion
 - **US Imports from Partner:** \$137 billion
 - **Trade Balance with US:** -\$123 billion
- **Risk of retaliation:** **Low**

Vietnam has taken an aggressive position to immediately begin negotiations after receiving one of the highest reciprocal tariff rates. General Secretary To Lam [held](#) a call with President Trump, which President Trump [called](#) "very productive." The leaders agreed to discuss a deal to remove tariffs as Lam pledged to cut tariffs on U.S. goods.

Prior to the call with President Trump, the Prime Minister [ordered](#) the formation of a quick response team to formulate countermeasures to the United States' tariffs led by Deputy Prime Minister Bui Thanh Son. While continuing to gather domestic business opinions for Vietnam's best course of action, General Secretary To Lam [urged](#) the White House to delay reciprocal tariff implementation as Vietnam makes progress to reducing trade barriers. Deputy Prime Minister Ho Duc Phoc is [visiting](#) Washington from April 6-14 to continue conversations. As many as 200 Vietnamese businesspeople have [reportedly](#) arrived in the United States to support the Vietnamese Government's efforts to engage with the U.S. government and private sector.

On April 7, Peter Navarro said that Vietnam's [pledge](#) to drop its tariffs on US goods to zero "means nothing to us because it's the nontariff cheating that matters."