



# Canadian Government Announces Retaliatory Tariffs on U.S. Imports

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February 2, 2025

Today, the [Government of Canada announced](#) that it will be imposing retaliatory tariffs in response to President Trump's February 1, 2025 tariffs of 25% on goods from Canada, as well as 25% on Mexican imports and 10% on Chinese. We previously reported on President Trump's tariffs [here](#) and the White House fact sheet can be found [here](#).

Canada's announcement today details two tranches of 25% tariffs on U.S. exports of certain goods to Canada, the first going into effect on Tuesday, February 4, 2025 (the same effective date of the United States' tariffs on Canadian imports) and the second going into effect in 21 days. We provide a summary of the Canadian retaliatory tariff measures below.

## First Tranche

- A 25% tariff is being imposed on C\$30 billion worth of U.S. goods, with an effective date of Tuesday, February 4, 2025.
- Goods in transit on or before February 4, 2025, will be exempt.
- The list of goods covered in this tranche can be found [here](#), by Canadian Harmonized Schedule code. The products covered include food and agriculture products, cosmetic/hygiene/toiletry products, tires, clothing/footwear/accessories, wood and paper products, household appliances, glassware and flatware/utensils, light fixtures, diamonds and jewelry, hand tools and knives, water heaters, motorcycles, unmanned aircraft (drones), firearms and other weapons, furniture/mattresses/seating, and original artwork.
- The U.S. exports selected appear designed to target high-volume, consumer markets. A Government of Canada [news release](#) highlighted that the United States' tariffs "will have devastating consequences for the American economy and people. Tariffs will upend production at U.S. auto assembly plants and oil refineries, raise costs for American consumers—at gas pumps and grocery stores—and put American prosperity at risk."
- Canada has already [announced a process](#) for Canadian importers to seek refunds of applicable tariffs imposed in this initial tranche. Relief from payment of the tariffs or refunds may be permitted "under specific circumstances" - namely, "where goods used as inputs cannot be sourced domestically, either on a national or regional basis, or reasonably from non-U.S. sources," or where, "on a case-by-case basis, other exceptional circumstances that could have severe adverse impacts on the Canadian economy."

## Second Tranche

- A 25% tariff will also be imposed on C\$125 billion worth of U.S. goods, after a 21-day comment period to allow Canadian businesses to prepare. The list of goods subject to this second tranche of tariffs is not yet available, but should be released soon for comment.
- The Government of Canada has previewed that the second tariff round will be much broader, including “products such as passenger vehicles and trucks, including electric vehicles, steel and aluminum products, certain fruits and vegetables, aerospace products, beef, pork, dairy, trucks and buses, recreational vehicles, and recreational boats.”
- Combined, the total C\$155 billion of U.S. exports covered by these two rounds of tariffs account for approximately one-third of annual U.S. exports to Canada.

Note that section 2(d) of President Trump’s Executive Order imposing tariffs on Canadian goods specifically anticipates the imposition of retaliatory tariffs, like the action announced by Canada today. That section authorizes the President to “increase or expand in scope the duties imposed under this order to ensure the efficacy of this action” in response to import duties by Canada on U.S. exports. Thus, the level and scope of tariff measures, by both countries, continues to be fluid.

We expect a similar announcement of retaliatory tariffs by Mexico in the coming days. As of the time of this advisory, there has not been a public response from China to the 10% tariff levied on Chinese imports. The new Chinese import duties are in addition to the 7.5%-25% tariffs currently in place on most Chinese goods under Section 301 of the Tariff Act of 1974, which President Trump imposed in 2018.