Vital Briefing—Tariff Insights

Trump slaps immediate 50 percent tariffs on imports from countries that supply Iran with weapons

By Thomas Thompson

The day after agreeing to a two-week ceasefire with Iran, Trump announced that the administration is imposing a 50 percent tariff on all imports from countries that supply the Iranian military with weapons.

The April 8 announcement did not identify any countries to be targeted with the new tariffs.

In a 6:30 a.m. post on Truth Social, Trump wrote, "A Country supplying Military Weapons to Iran will be immediately tariffed, on any and all goods sold to the United States of America, 50%, effective immediately. There will be no exclusions or exemptions!"

Looking for targets. China and Russia, which were long-time major suppliers of weapons and military components to Iran, were identified by reporters as likely targets of the new tariffs. Administration officials, however, previously told reporters that the countries have denied providing military equipment to Iran since the start of the U.S. campaign against Iran on February 28.

Russia is not an obvious target of the new tariffs. Its 2025 exports to the U.S. at less than $4 billion were about a quarter off their 2017 peak level.

China, too, appears to be an unlikely target of the new tariffs since the administration became cautious vis-à-vis the country after scheduling Trump's upcoming state visit to Beijing. Also, high tariffs imposed on China by Trump last year already led to a 28 percent decline in imports. Chinese exporters continue to face some of the highest U.S. import duties even after 2025's global tariffs were rescinded.

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"This is a China-related threat, the way I read it," Josh Lipsky, chair of international economics at the Atlantic Council told Reuters on Wednesday. According to an article in Reuters last month, U.S. officials said off the record that China's leading semiconductor firm Simic sent chipmaking tools to Iran.

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Trump's attempt last year to impose global tariffs based on a claim of international economic emergency was turned back by the Supreme Court in February. That decision was based mostly on the fact that the law Trump cited did not provide for tariffs being used as a remedy in the narrow type of emergency the law refers to.

The existing laws that give the president tariff authority generally require formal findings of economic harm from the target country's actions and cannot be implemented without at least providing prior notice. Tariffs, as taxes paid by U.S. firms importing goods for sale in the U.S., are generally the responsibility of Congress, albeit with exceptions.

Striking a different tone on Truth Social just eight minutes before publishing his

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threatening post on Tuesday morning, Trump held out a tariff "carrot" to Iran, saying, "We are, and will be, talking Tariff and Sanctions relief with Iran." Trump began that post with the sentence, "The United States will work closely with Iran, which we have determined has gone through what will be a very productive Regime Change!"

USMCA under review. On March 18, U.S. Trade Representative Jamieson Greer launched the formal review process of the U.S.-Mexico-Canada Agreement (the USMCA), meeting formally with Mexican Secretary of Economy Marcelo Ebrard.

The USMCA is the trade pact negotiated by the first Trump administration to succeed the North American Free Trade Agreement. It is subject to review every six years.

Greer says he is planning to meet formally with Canadian representatives in May. Formal trade discussions had been cut off by Trump in October after an Ontario political ad quoted Ronald Reagan's opposition to tariffs. Lower-level informal trade talks between the countries reportedly resumed late last month.

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Load-bearing pillars. After a lengthy public comment process last year, Greer, once a critic of the USMCA, stated in congressional testimony, "The USMCA has been successful to a certain degree. As you can see from the information we have received from interested stakeholders, there is broad support for the Agreement." Greer also told Congress that U.S. exports to Canada and Mexico have increased 56 percent since 2020 under the agreement.

In a talk at the Hudson Institute in Washington, D.C., on April 7, Greer told the audience, "Our baseline is that things have to be changed." He said he thinks the USMCA will be renewed but with supplementary bilateral agreements between the U.S. and the two trading partners. "The existing agreement has "a bunch of load-bearing pillars," Greer said. "If we get rid of them, I just have to go back and do it again."

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