

US: 'reciprocal tariffs' go away, uncertainty stays

Coface

On 20 February, the US Supreme Court invalidated the 'reciprocal tariffs' imposed by the Trump administration. This is a major legal setback, but it does not change the overall trade policy landscape. The United States continues to maintain historically high tariffs, and the environment remains unstable for businesses.

Key figures

- **14%:** average US tariff rate after the decision, compared to 2.3% before 2025
- **150 days:** maximum duration of new temporary tariffs based on Section 122

The Supreme Court's decision is a political setback for the US administration. However, the United States still has many levers at its disposal to maintain high tariffs, prolonging uncertainty for businesses and global trade

says Marcos Carias, economist for North America at Coface.

While this ruling is a political and institutional setback for the White House, it does not mark a break with the trade strategy pursued since Donald Trump's return to power. The decision only concerns tariffs based on this specific legal framework and does not call into question other existing measures, particularly those specific to certain sectors.

In the hours following the decision, the US administration announced its intention to rely on Section 122 of the Trade Act of 1974 to introduce new temporary tariffs. This measure authorizes the President to **apply surcharges of up to 15% for a maximum period of 150 days** in the event of external imbalances – the additional rate of 10% is currently being applied.

This substitution results in a limited decrease in the **average US tariff rate, which is now close to 14%**. This is certainly lower than under the 'reciprocal' tariff regime, but it is nothing compared to the situation prior to 2025, when **the average rate did not exceed 2.3%**. In practice, the [United States](#) thus remains in one of the highest tariff regimes seen in nearly a century.

Winners, losers and a reshaped geography of risk

The end of 'reciprocal' customs duties does not translate into uniform relief. The impact varies greatly depending on the United States' trading partners and the structure of their exports.

Countries whose sales to the US market are heavily concentrated in sectors covered by Section 232 tariffs – steel, aluminum, automobiles and industrial equipment – continue to bear a high tariff burden. This is particularly the case for the **European Union, Japan** and **South Korea**, whose industrial exports remain largely exposed to measures justified on national security grounds. The major North American partners, **Canada** and **Mexico**, although partially protected by the USMCA, also remain penalized in several **key industrial segments**.

Conversely, some countries previously targeted by particularly high 'reciprocal' duties Conversely, certain countries previously targeted by particularly high 'reciprocal' duties now benefit from relative relief, with a 10% surcharge being applied under Section 122.

Several economies in South and Southeast Asia, such as [Vietnam](#), [Bangladesh](#) and [Sri Lanka](#), are thus seeing their tariff exposure decrease significantly, as their exports are less concentrated in the sectors covered by Section 232. This restructuring accentuates the differences between the United States' trading partners and adds to the complexity of an **increasingly fragmented global tariff landscape**.

Legal and political uncertainty set to continue

Beyond the 150-day deadline, several unknowns remain. An extension of the tariffs would require the approval of Congress, a politically sensitive prospect in the run-up to the mid-term elections. Furthermore, the question of reimbursement of duties collected under the now invalid regime remains unresolved. The proceedings could take several years, fuelling a climate of **lasting uncertainty for businesses**, their supply chains and their investment decisions.