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US Extends China Tariff Truce by 90 Days

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On August 11, President Trump issued an executive order, "Further Modifying Reciprocal Tariff Rates to Reflect Ongoing Discussions With the People's Republic of China" (Order), extending the suspension of heightened tariffs on Chinese imports for another 90 days. The Order preserves the temporary reduced reciprocal tariff rate established on May 12 under Executive Order 14298, rather than reverting to the higher 125% reciprocal tariff rate originally imposed under Executive Order 14257, as amended (Reciprocal Tariff) that would have taken effect without the extension.

The suspension — originally set to expire at 12:01 a.m. EDT on August 12 — will now run until 12:01 a.m. EST on November 10, as the U.S. and China continue negotiations aimed at addressing longstanding concerns over non-reciprocal trade arrangements and national security risks.

Background of the Tariff Actions

The Order builds on a series of escalating trade actions between the U.S. and China in 2025. It began with Executive Order 14257, issued on April 2, in which President Trump declared a national emergency under the International Emergency Economic Powers Act to address trade imbalances with China. That order imposed a 34% *ad valorem* reciprocal tariff on Chinese imports to promote trade reciprocity and protect U.S. national security.

In response to China's retaliatory 34% tariff on U.S. goods, President Trump issued Executive Order 14259 on April 8, increasing the U.S. tariff on Chinese imports to 84%, including low-value goods. China responded the same day by announcing an 85% tariff on U.S. goods, effective April 10.

Later on April 10, President Trump issued Executive Order 14266, further raising U.S. tariffs on Chinese imports to 125%. Following subsequent U.S.-China trade negotiations, President Trump issued Executive Order 14298 on May 12, temporarily suspending the 125% rate for 90 days to facilitate discussions, replacing it with a reduced 10% reciprocal tariff.

Overview of the Order

- Continuation of Tariff Suspension: The U.S. will continue to maintain the temporary 10% Reciprocal Tariff on Chinese-origin goods (including covered products of Hong Kong and Macau) entered for consumption or withdrawn from a warehouse for consumption before 12:01 a.m. EST on November 10. U.S. Customs and Border Protection has issued guidance regarding the extended temporary Reciprocal Tariff rate for China as outlined in the Order.
- Retention of Existing Tariffs: The 20% universal tariff on all Chinese imports, established under Executive Order

14195 and modified by Executive Order 14228, along with other existing tariffs on Chinese-origin goods, including anti-dumping and countervailing duties, as well as tariffs under Section 301 or Section 201 of the Trade Act of 1974, remain in effect without changes.

Looking Ahead

The 90-day reprieve buys negotiators more time to hammer out a longer-term deal. The ongoing trade talks between the U.S. and China are not limited to tariffs, they also touch on critical technology and raw materials. Particularly, China is pressing the U.S. to ease export restrictions on high-bandwidth memory chips, which are essential for assembling advanced AI processors and account for a significant share of the value in AI systems. These chips are currently subject to U.S. export controls that restrict their sale to China without a specific license from the U.S. government. Negotiations also cover more traditional trade elements. These include increased Chinese purchases of U.S. agricultural goods, such as soybeans, greater U.S. access to rare-earth minerals, and reductions in non-tariff barriers affecting U.S. companies operating in China. A major sticking point, however, remains China's continued energy purchases from Russia and Iran. China has resisted U.S. pressure to halt these imports — defying calls to stop buying oil from both countries — emphasizing that energy security and national sovereignty will not be compromised, despite U.S. threats of 100% tariffs.

Nevertheless, while the extension signals a willingness to maintain open channels with China, it also underscores that the underlying national emergency declared in April remains in effect. If substantive progress is not achieved by November 2025, the administration could reimpose the original higher tariff rates — potentially with additional modifications based on evolving trade and security considerations.

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