

## UNCERTAINTY OVER US TARIFFS AFTER COURT RULING

# US says trade deals in force despite court ruling

AFP, New York

US trade deals with the European Union, China and other partners remain in force despite the Supreme Court ruling that struck down many of President Donald Trump's tariffs, a top official said Sunday.

"So we're having active conversations with them. We want them to understand that these deals are going to be good deals," US Trade Representative Jamieson Greer said on the CBS program "Face the Nation."

He added: "We expect to stand by them. We expect our partners to stand by them."

But European Central Bank president Christine Lagarde said on the same show she is not sure what the consequences of the US court decision are.

"So I hope it's going to be clarified, and it's going to be sufficiently thought through, so that we don't have, again, more challenges, and the proposals will be in compliance with the constitution, in compliance with the law," said Lagarde.

Greer said a meeting planned for April between Trump and Chinese President Xi Jinping is "not to fight about trade."



President Donald Trump

"It's to maintain stability, make sure that the Chinese are holding up their end of our deal and buying American agricultural products and Boeings and other things, and making sure they're sending us the rare earth that we need," Greer said on ABC.

On Friday the US Supreme Court ruled 6-3 that the president had exceeded his authority in imposing tariffs under a 1977 economic emergency powers act, saying Congress had to give its approval.

Trump reacted furiously and announced a new 10 percent global duty on imports under a different legal authority, then raised it to 15 percent on Saturday. It kicks in on Tuesday, is due to last 150 days and has exemptions for some products.

"It's important to understand that over the years, Congress has delegated enormous tariff setting authority to the president," Greer said on CBS. He added that tariffs imposed outside the authority struck down by the court remain in effect.

Asked about Trump's decision to quickly raise the new tariff from 10 percent to 15 percent, Greer said the latter was the top level the president was allowed by law.

Greer was also asked about Trump's aggressive use of tariffs despite the fact that polls show most Americans disapprove of this policy.

"The president has been campaigning on tariffs and protecting American industry for many years, and he does what he says, he delivers on his promises," Greer said.



A container ship prepares to dock at PortMiami in Florida. US Supreme Court ruling curbed Trump's tariff powers, but fresh levies and legal manoeuvres prolong global trade uncertainty.

PHOTO: AFP/FILE

## US customs agency to stop collecting tariffs deemed illegal

REUTERS, Washington

The US Customs and Border Protection agency said it will halt collections of tariffs imposed under the International Emergency Economic Powers Act at 12:01 a.m. EST (0501 GMT) on Tuesday, more than three days after the US Supreme Court declared the duties illegal.

The agency said in a message to shippers on its Cargo Systems Messaging Service (CSMS) that it will de-activate all tariff codes associated with President Donald Trump's prior IEEPA-related orders as of Tuesday.

The IEEPA tariff collection halt coincides with Trump's imposition of a new, 15 percent global tariff under a different legal authority to replace the ones struck down by the Supreme Court on Friday.

CBP gave no reason why it was continuing to collect the tariffs at ports of entry days after the Supreme Court's ruling, and its message offered no information about possible refunds for importers.

The message noted that the collection halt does not affect any other tariffs imposed by Trump, including those under the Section 232 national security statute and the Section 301 unfair trade practices statute.

"CBP will provide additional guidance to the trade community through CSMS messages as appropriate," the agency said.

Reuters reported on Friday that the Supreme Court decision made more than \$175 billion in US Treasury revenue generated by the IEEPA tariffs subject to potential refunds, based on an estimate by Penn-Wharton Budget Model economists. Their estimate from a ground-up forecasting model showed that IEEPA-based tariffs were generating more than \$500 million per day in gross revenue.

## China calls for cancelling unilateral tariffs

AFP, Beijing

China urged the United States on Monday to cancel unilateral tariffs announced by President Donald Trump after the US Supreme Court struck down many of his measures.

The court ruled six to three on Friday that Trump does not have the authority to impose tariffs under a 1977 law he has relied on to impose sudden levies on individual countries, upending global trade.



Trump reacted furiously, announcing first a new 10 percent global duty on imports under a different legal authority, before raising it to 15 percent on Saturday.

China's commerce ministry said on Monday it was conducting a "comprehensive assessment" of the ruling's impact, and called on Washington to lift the tariffs.

"China urges the United States to cancel its unilateral tariff measures on its trading partners," the ministry said in a statement. "There are no winners in a trade war and that protectionism leads nowhere."

The new 15 percent global duties are due to kick

in on Tuesday, and are expected to last 150 days with exemptions for some products.

The Chinese foreign ministry also noted that it was paying "close attention" to potential moves by the United States to maintain increased tariffs.

"The United States is currently planning alternative measures such as trade investigations in order to maintain increased tariffs on trading partners. China will continue to pay close attention to this and resolutely safeguard China's interests," it said.

China's warning comes weeks ahead of Trump's planned visit to China, the US leader's first trip to the country in his second term.

But US Trade Representative Jamieson Greer has said a meeting planned for April between Trump and Xi is "not to fight about trade."

The Supreme Court ruling was a stunning rebuke to Trump from a judicial body that has largely sided with him since his return to office.

It marked a major political setback in striking down his signature economic policy that has roiled the global trade order.

Several countries have said they are studying the Supreme Court ruling and Trump's subsequent tariff announcements.

Greer told US media on Sunday that trade deals with China, the European Union and other partners will remain in force despite the decision.

US trade officials threatened in December to impose tariffs on the key semiconductor industry after finding Beijing's practices were "unreasonable", though they will be delayed until June 2027.

Beijing said at the time it "firmly" opposed the move and accused Washington of abusing tariffs to "unreasonably suppress Chinese industries".

# Tariff ruling won't end uncertainty for trade partners

REUTERS, Washington

The US Supreme Court's decision to strike down a large swath of President Donald Trump's tariffs has weakened his ability to threaten and impose tariffs at a moment's notice, but it won't end gnawing uncertainty for trade partners or companies.

Trump responded within hours to the ruling on Friday, slapping a new 10 percent tariff on all imports and ordering new trade investigations that could lead to additional levies in months, while insisting that trade and investment deals reached with nearly 20 countries - most with higher tariffs - should remain untouched.

Less than 24 hours later, he raised the rate of the new tariff to 15 percent - the maximum level allowed under the law.

Wendy Cutler, a former US trade official and senior vice president at the Asia Society Policy Institute, said Trump's rapid-fire change was emblematic of the president's desire - and ability - to keep trading partners on their toes.

"The uncertainty, in his view, just gives him enormous additional leverage beyond the actual tariffs. Because people are worried about what he'll do."

But Cutler and other trade experts agree Trump's wings

have been clipped. The 10 percent replacement tariff lasts only 150 days, and new tariffs imposed under other statutes will take longer to implement, robbing the president of the "anytime, anywhere for any reason" cudgel he used to impose tariffs before his use of the International Emergency Economic Powers Act was nixed.

"He's lost his favorite tool," Cutler said. "Particularly for foreign policy matters and things that irk him on other countries that have nothing to do with trade, he's lost the ability to offer a credible threat."

William Reinsch, a former senior US government official who is now with the Center for Strategic and International Studies, said the Supreme Court's solid 6-3 ruling diminished Trump's ability to threaten other countries.

"It takes away his ability to wave the big stick around," he said, although the economic impact will be limited, with the 10 percent tariff and other duties expected in coming months replacing some if not all the tariffs now deemed illegal.

Michael Froman, president of the Council on Foreign Relations, said the ruling and the administration's response left many questions unanswered, including how importers could get refunds for duties collected illegally, and what further tariffs



People try Xpeng's electric vehicles at its headquarter in Guangzhou, in southern China's Guangdong province. Trump has threatened tariffs against Canada for allowing import of electric vehicles from China.

PHOTO: AFP/FILE

were still coming.

If a uniform US global tariff of 15 percent were to be imposed, changes would be expected in the relative competitive conditions of our companies.

"Perhaps the most consequential impact of the Supreme Court's decision is that it should curtail the threat or use of tariffs as the president's preferred form of leverage or punishment outside the trade domain," said Froman, who served as former President Barack Obama's chief trade negotiator from 2013 to 2017.

That development could provide relief to countries scarred by Trump's unpredictability and repeated use of tariff threats to punish them over non-trade matters, extract concessions and secure foreign investments.

The US president had invoked IEEPA to impose tariffs over a range of non-trade issues, leaving countries bruised and skittish, and heightening uncertainty for companies around the world. He threatened tariffs against European countries over their opposition to his claims on Greenland, against Canada for

allowing the importation of electric vehicles from China, and against Brazil for its treatment of far-right former President Jair Bolsonaro, a Trump ally.

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Josh Lipsky, chair of international economics at the Atlantic Council, cautioned that it was too early to predict the impact of the Supreme Court's ruling on Trump's leverage, given uncertainty about fresh tariffs and the president's willingness to use a range of tools.

"It's a significant blow to his international economic trade agenda. It's not a crippling one, necessarily, because of the other authorities, but we have to see how they play out in practice," he said. "It feels like the 'tariff armada' has come to the rescue despite IEEPA. But how that plays out in terms of leverage is a different question in the months ahead."

It is also unclear what will happen to nearly 20 framework deals or firmer trade agreements that the Trump administration has reached with countries in recent months that were based on the IEEPA tariff threats.

Trump, US Trade Representative Jamieson Greer and Treasury Secretary Scott Bessent insisted on Friday that the deals should remain in effect, even if those rates were higher than the temporary universal tax.

## Honour trade deal EU urges US

AFP, Brussels

The European Commission called Sunday for Washington to abide by the terms of the trade deal struck last year with the EU, as President Donald Trump announced new global tariff hikes a day after an adverse Supreme Court ruling.

"A deal is a deal," said a commission statement. "As the United States' largest trading partner, the EU expects the US to honour its commitments set out in the Joint Statement - just as the EU stands by its commitments," it added.

"The European Commission requests full clarity on the steps the United States intends to take following the recent Supreme Court ruling on the International Emergency Economic Powers Act (IEEPA)."

Trump temporarily raised the global duty on imports into the United States to 15 percent on Saturday.

The move delivered a fresh jolt of uncertainty just a day after the Supreme Court ruled much of his international tariffs campaign illegal.

The EU and United States last year struck an agreement setting US tariffs at a maximum 15 percent on most European goods. "EU products must continue to benefit from the most competitive treatment, with no increases in tariffs beyond the clear and all inclusive ceiling previously agreed," the commission said.

It warned that "when applied unpredictably, tariffs are inherently disruptive, undermining confidence and stability across global markets and creating further uncertainty across international supply chains".

The EU executive said it remained "in close and continuous contact" with Trump's administration and that EU Trade commissioner Maros Sefcovic had spoken with US Trade Representative Jamieson Greer and Commerce Secretary Howard Lutnick on Saturday.

Greer told US broadcaster CBS on Sunday that Washington's deals with the European Union, China and other partners remained in force despite the Supreme Court ruling.