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President Trump Issues “America First Trade Policy”: Five Things to Know

Immediately upon taking office and in the early days of his administration, President Trump has laid out his “America First” trade policy and signaled certain measures that provide critical indicators for how trade-related actions might unfold. These early developments are crucially important for cross-border operators seeking to anticipate future policy changes and plan strategically, and have included the following:

- On January 20, President Trump issued an [Executive Order](#) (“EO”) directing the Secretary of State to “*issue guidance bringing the Department of State’s policies, programs, personnel, and operations in line with an America First foreign policy, which puts America and its interests first.*”
- In a [related memorandum](#) (the “Memorandum”) issued to various department heads the same day, President Trump outlined his directives for an “America First” trade policy.
- The President delivered remarks to the World Economic Forum in which he stated that any company that does not make its products in the United States will be subject to tariffs, and followed this up with comments at another appearance in which he mentioned that he is considering tariffs on computer chips, pharmaceuticals, steel, aluminum, and copper.
- President Trump has signaled a willingness to use tariffs to pursue non-economic foreign policy goals, which will have significant implications for global trade.

This alert sets out five points for companies to note as they navigate the cross-border landscape:

1. The Memorandum does not usher in any immediate policy changes.

While sweeping in scope—as explained below—the Memorandum does not implement any immediately binding changes to applicable law. Rather, it directs various federal departments to review certain key trade issues and make recommendations to the President in relatively short order, in most cases by April 1. That sets up a critical period in the spring in which the White House will receive such recommendations and potentially take action.

2. The Memorandum sets the stage for a range of tariffs, trade remedies, and review of trade agreements.

The Memorandum directs executive branch review of, among other things:

- the cause of annual trade deficits and whether measures such as a “global supplemental tariff” or other policies can remedy them;
- the feasibility of establishing the best methods for designing, building, and implementing an External Revenue Service to collect tariffs, duties, and other foreign trade-related revenues;

- any unfair trade practices by other countries and recommend appropriate actions to remedy such practices;
- commencement of a public consultation process with respect to the United States-Mexico-Canada Agreement (“USMCA”) in preparation for the July 2026 review of the USMCA;
- policies and regulations regarding the application of antidumping and countervailing duty laws;
- the impact of all trade agreements on the United States, including the World Trade Agreement on Government Procurement;
- current exclusions and exemptions from the Section 232 tariffs on steel and aluminum;
- migration and fentanyl flows from Canada, Mexico, and China;
- whether China is living up to the U.S.-China [Phase One trade agreement](#);
- whether additional tariffs would be appropriate in response to China’s alleged unfair trade practices, including its circumvention of “[Section 301](#)” tariffs by exporting items to the United States through third countries; and
- whether it is necessary to launch investigations to “adjust” imports that threaten U.S. national security.

Directionally, the Memorandum paves the way for robust tariffs, actions targeting China, Canada, and Mexico, and rigorous review of the USMCA and other U.S. trade agreements.

3. The Trump Administration also is reviewing export controls and other national security-related regulations.

The Memorandum calls for review of the following:

- U.S. export controls, including how to “eliminate loopholes,” preserve U.S. technological leadership, and drive enforcement;
- whether President Biden’s [EO](#) on U.S. outbound investment into China and Chinese-linked entities, and related [regulations](#), are sufficient to safeguard U.S. national security; and
- the effectiveness of the U.S. Department of Commerce’s rule on connected [vehicles](#) under the Information and Communications Technology and Services (“ICTS”) [rules](#), and whether other ICTS rulemakings would be appropriate.

Not surprisingly, these directives likely signal further restrictive measures in these areas—more export controls (particularly in connection with leading-edge and emerging technologies), more restrictions on U.S. outbound investment supporting China, and more controls on imported ICTS with links to China.

4. President Trump has made remarks in key settings laying out his tariff philosophy and identifying potential early targets.

On January 23, while delivering remarks at the [World Economic Forum](#), President Trump highlighted his strategy, telling attendees:

“My message to every business in the world is very simple: come make your product in America and we will give you among the lowest taxes of any nation on Earth...But if you don’t make your product in America, which is your prerogative, then, very simply, you will have to pay a tariff.”

Shortly thereafter, at a Republican retreat, President Trump stated that his administration was going to [place tariffs](#) on computer chips, pharmaceuticals, steel, aluminum, and copper to return production of these goods to the United States.

5. In addition to the directives set out in the “America First Trade Policy,” President Trump’s actions demonstrate a willingness to threaten and perhaps use tariffs as a stick in the pursuit of non-economic foreign policy goals.

- On his first day in office, President Trump [announced plans](#) for a 25 percent tariff on products from Canada and Mexico, effective February 1, asserting that America’s neighbors were allowing “mass numbers of people and fentanyl” to come into the United States. Leaders in Canada have [suggested](#) that Canada will retaliate, while officials in Mexico have signaled that they will respond “[step by step](#).”
- The following day, President Trump [announced efforts](#) to impose a 10 percent tariff on China because of its alleged role in the U.S. fentanyl crisis. Although the 10 percent tariff is substantially smaller than the [60 percent tariff](#) initially threatened during President Trump’s campaign, China’s [stock market](#) and currency [fell following](#) President Trump’s announcement.

- Over the weekend of January 26–27, President Trump [threatened 25 percent tariffs](#) against Colombian exports to the U.S. in response to Colombia's refusal to accept plane loads of deported Columbians. Shortly thereafter, Colombia [reached an agreement](#) with the United States to accept U.S. military flights of deported migrants.

We will continue to monitor developments regarding implementation of the Trump administration's trade policy.

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