

The Customs & Tariffs Roller Coaster

How to plan, navigate and be ready

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Tariff Roller Coaster




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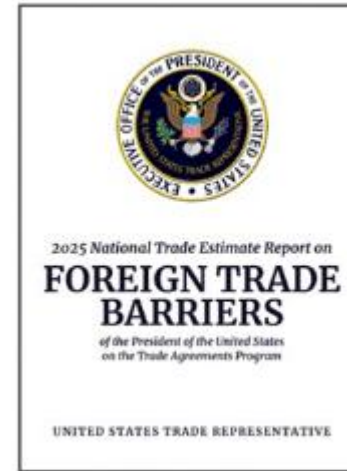
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Trump 2.0 - «Liberation Day»

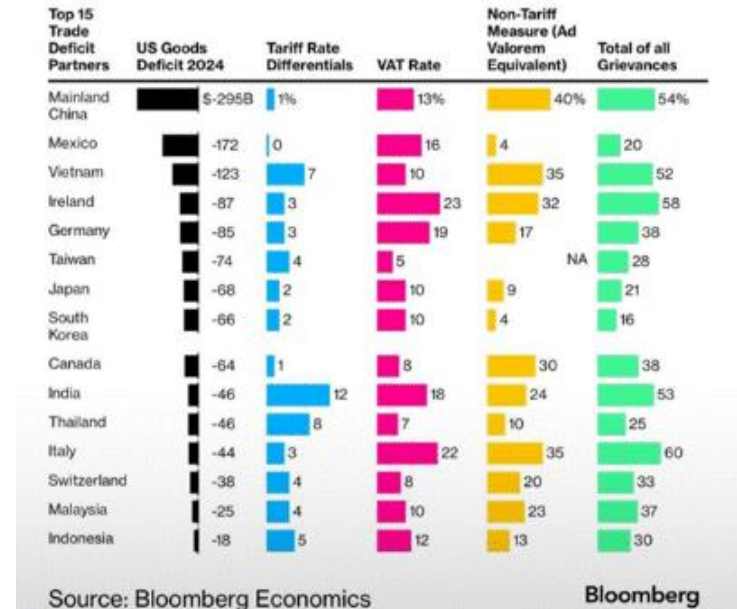
| Reciprocal Tariffs | | |
|--------------------|---|--------------------------------------|
| Country | Tariffs Charged to the U.S.A. including Country Manipulation and Trade Barriers | U.S.A. Discounted Reciprocal Tariffs |
| China | 67% | 34% |
| European Union | 39% | 20% |
| Vietnam | 90% | 46% |
| Taiwan | 64% | 32% |
| Japan | 46% | 24% |
| India | 52% | 26% |
| South Korea | 50% | 25% |
| Thailand | 72% | 36% |
| Switzerland | 61% | 31% |
| Indonesia | 64% | 32% |
| Malaysia | 47% | 24% |
| Cambodia | 97% | 49% |
| United Kingdom | 10% | 10% |
| South Africa | 60% | 30% |
| Brazil | 10% | 10% |
| Bangladesh | 74% | 37% |
| Singapore | 10% | 10% |
| Israel | 33% | 17% |
| Philippines | 34% | 17% |
| Chile | 10% | 10% |
| Australia | 10% | 10% |
| Pakistan | 58% | 29% |
| Turkey | 10% | 10% |
| Sri Lanka | 88% | 44% |
| Colombia | 10% | 10% |

| Reciprocal Tariffs | | |
|----------------------|---|--------------------------------------|
| Country | Tariffs Charged to the U.S.A. including Country Manipulation and Trade Barriers | U.S.A. Discounted Reciprocal Tariffs |
| Peru | 10% | 10% |
| Nicaragua | 36% | 18% |
| Norway | 30% | 15% |
| Costa Rica | 17% | 10% |
| Jordan | 40% | 20% |
| Dominican Republic | 10% | 10% |
| United Arab Emirates | 10% | 10% |
| New Zealand | 20% | 10% |
| Argentina | 10% | 10% |
| Ecuador | 12% | 10% |
| Guatemala | 10% | 10% |
| Honduras | 10% | 10% |
| Madagascar | 93% | 47% |
| Myanmar (Burma) | 88% | 44% |
| Tunisia | 55% | 28% |
| Kazakhstan | 54% | 27% |
| Serbia | 74% | 37% |
| Egypt | 10% | 10% |
| Saudi Arabia | 10% | 10% |
| El Salvador | 10% | 10% |
| Côte d'Ivoire | 41% | 21% |
| Laos | 95% | 48% |
| Botswana | 74% | 37% |
| Trinidad and Tobago | 12% | 10% |
| Morocco | 10% | 10% |



US Trade Grievances

Bloomberg Economics estimates of potential contributors to reciprocal tariffs



- Published rates by country of origin
- Paused for 90 days (until July 9, 2025)
- Outcome subject to negotiations

$$\Delta\tau_i = \frac{x_i - m_i}{\varepsilon * \varphi * m_i}$$

Global Tariffs: Numbers and Experience

Overview of the global trade metrics

373

FTAs are in force globally ¹

9,5k

average number of different tariff codes ²

1,97%

average Duty rate in European Union ³

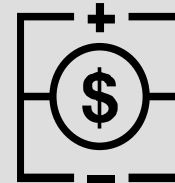
12,77%

average Duty rate in North America ⁴

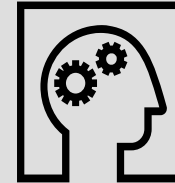
12,45%

average Duty rate in South Asia ⁴

Our experience



20% of additional savings achieved by using additional FTAs



30% of customs tariffs master data is not correct



80% of companies don't have visibility on their global customs duty spendings

¹ [WTO Fact and Figures on FTAs](#)

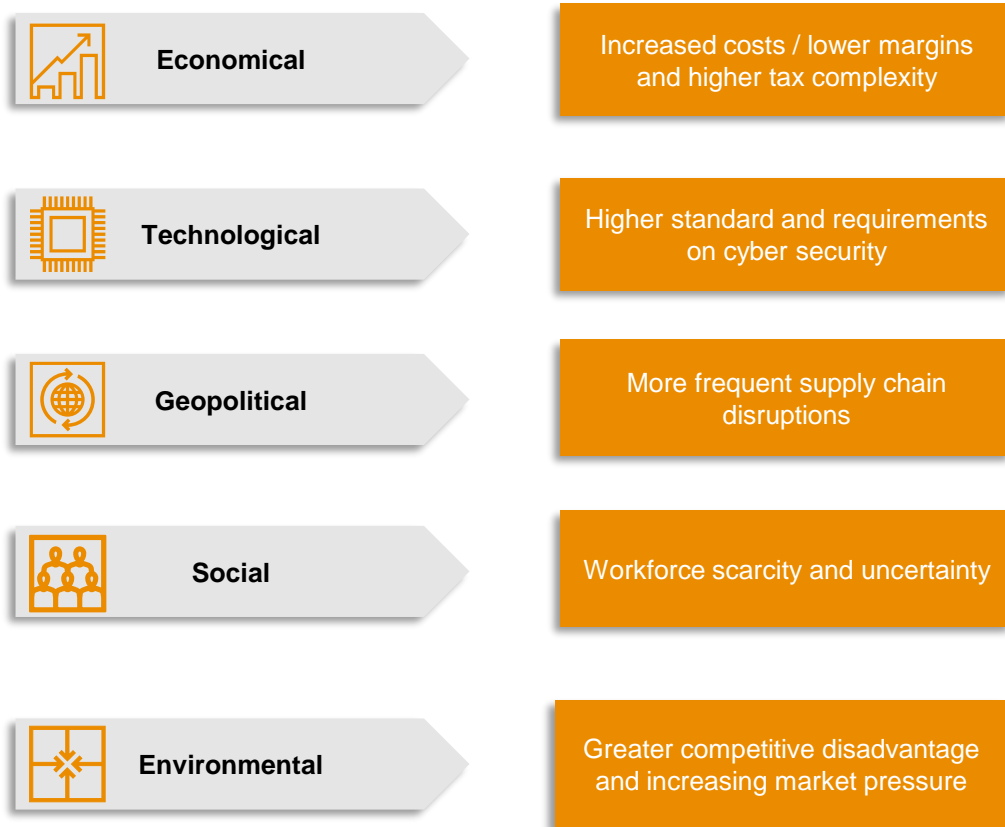
² [Customs tariff codes need to be adapted](#)

³ [2022 World Bank Data summary by country](#)

⁴ [2022 World Bank Data summary by region](#)

The evolving uncertainty and complexity created by the changes in tariff regulations can be narrowed down to three options for the companies with U.S. business

Challenges and implications



What are the options and how to react?



Best Practice: A company should analyze their new reciprocal tariffs against each mitigation strategy to help reduce the overall impact.

Plan & Navigate: US Tariff Impact Assessment and Trade Analysis

The starting point of the analysis

Access to company's customs data

Process data in Trade Activator

Analyze results to identify impact

Develop action plan mitigate impact and shape opportunities

PwC's Approach to Assess Tariff Impact & Opportunities

Scoping

Defining the **scope of analysis in the US trade and customs law**, incl. focus areas – savings, compliance, etc.

Assesment

Determine which countries in the client's supply chain may be impacted by U.S. tariffs,

Analysis

Defining HS codes that are the main drivers of customs duties in the supply chain and analysis whether those codes are covered in US Regulations

Compliance

Identification of the data inconsistencies

Report

Report providing data analysis concerning imports to US, especially scope of product, its origin, number of duties paid for main products in the supply chain and duties paid in general

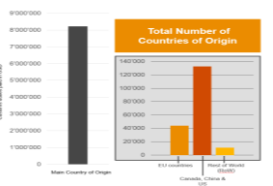
US Tariff Regulations

- Tariffs on Mexico and Canada
- Tariffs on China
- Tariffs on Steel and Aluminum
- Reciprocal measures

| USD 682'000 Customs value in m | | | USD 2'736'900 Customs value in m | | |
|-----------------------------------|-------------------|----------------------|-------------------------------------|-------------------|----------------------|
| Country | Country of Origin | Import Customs value | Country | Country of Origin | Import Customs value |
| USA | USA | 48750 | USA | USA | 290700 |
| USA | China | 2000 | USA | China | 85000 |
| USA | Spain | 1000 | USA | India | 10000 |
| USA | Germany | 1000 | USA | Indonesia | 20000 |
| USA | United Kingdom | 1000 | USA | Japan | 10000 |
| USA | Japan | 1000 | USA | Canada | 1000 |
| USA | Netherlands | 1000 | USA | Thailand | 1000 |

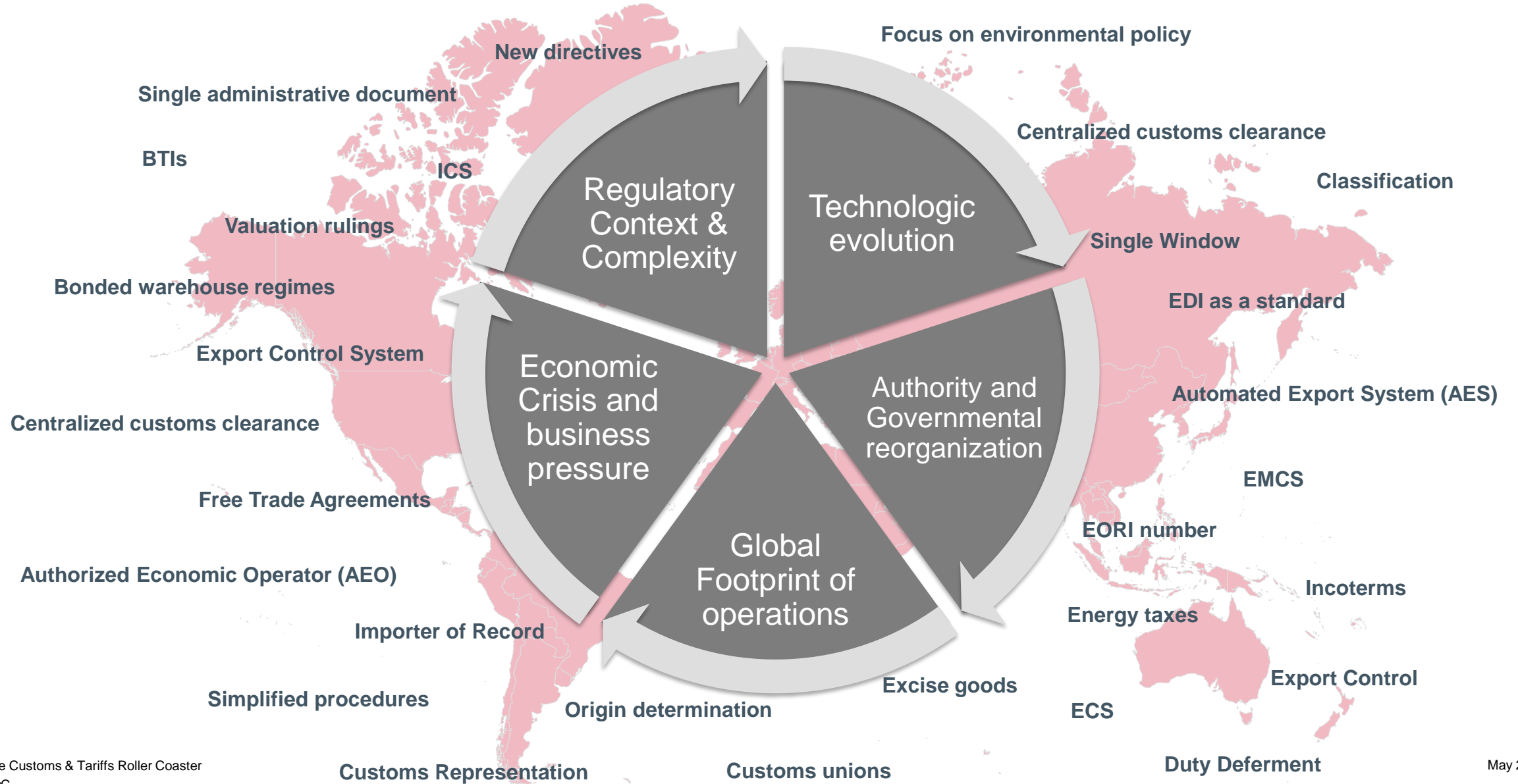
Prospective Annual Impact
Data based on 12 countries, actual trade volume

| Scenario | Scenario 1 (m USD) | Scenario 2 (m USD) |
|---|--------------------|--------------------|
| China Tariffs - increased 10% duties (from February 4, 2020) | 48000 | 49000 |
| Canada & Mexico Tariffs - additional 20% on goods produced in NAFTA | 47000 | 48000 |
| Steel Tariffs - increased tariffs on additional 20% value | 43000 | 43000 |
| Aluminum Tariffs - 25% duties from March 10, 2020 | 12000 | 13000 |
| EU Tariffs - Top 10 HS codes, 20% duties on additional 20% value | 600 | 600 |
| Additional Tariffs - increased tariffs on additional 20% value | 9300 | 11000 |



| | | |
|------------------------------|---------------------------------------|--|
| Company with the import in | 1000 Import declarations | USD5000m Customs value |
| 20 Countries of dispatch | 30 Countries of origin | USD10 m Customs duties |
| 300 HS codes used (in total) | 80 HS codes used under tariff-chapter | USD 8 m Customs duties for goods under tariff-chapter 80 |

It's not only about Tariffs: A Changing Environment



Key takeaways



Strategic and Efficient Global Supply Chain Planning for Sourcing and Distribution

Shift of responsibilities

Responsibility for customs and trade compliance is moving from Supply chain to Finance team

Data analytics

Implementation of data analytics tools with dashboards to monitor and manage various aspects of trade operations.



Automation

Companies are investing in automation tools (SAP GTS) and AI for tariff classification, origin determination, and compliance risk management.

Thank you

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