TRADE OBSERVER

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RECIPROCAL TARIFFS : A THREAT TO GLOBAL TRADE ?

Reciprocal tariffs, highlighted by Donald Trump during his announcement on February 13, involve applying the same rate to imports as is imposed by the exporting country. This approach aims to rebalance trade in response to taxes deemed unfair by the United States.

True to his America First policy, Trump is intensifying pressure on economic partners, following previous tariff increases on Chinese products, aluminum, and steel. However, this protectionist strategy has raised serious concerns in Europe and calls into question its compliance with international trade rules.

The objective of reciprocal tariffs is to protect domestic industries from foreign competition by restoring a balance deemed unfavorable to the United States. By imposing tariffs identical to those of exporting countries, Trump aims to encourage these nations to lower their own taxes.

« IF THEY IMPOSE A CUSTOMS DUTY OR TAX ON US, WE IMPOSE EXACTLY THE SAME LEVEL OF CUSTOMS DUTY OR TAX ON THEM, IT'S AS SIMPLE AS THAT.»

DONALD TRUMP

However, this strategy has sparked tensions with major trading partners, notably the European Union, which is concerned about the repercussions on its exports. The European automotive sector, for example, is heavily dependent on the American market and could be severely affected by retaliatory measures.

Furthermore, the World Trade Organization (WTO) considers this approach to be contrary to its non-discrimination rules. According to the WTO, tariffs must be applied equitably to all member countries, regardless of their tariff policies. By imposing tailor-made taxes based on trading partners, the United States is violating this fundamental principle.

Reciprocal tariffs, although intended to protect the American economy, risk triggering a global escalation of protectionism. It remains to be seen whether this confrontational policy will result in more balanced agreements or spark a trade war with unpredictable consequences.

CHATGPT, DEEPSEEK, GROK 3 : TECHNOLOGICAL COMPETITION WITH GEOPOLITICAL STAKES

Artificial intelligence has become the playground of the world's tech giants. As General Artificial Intelligence (GAI) appears to be within reach, a frenetic race has begun to take control of it. OpenAI, Google, xAI, and the new Chinese player DeepSeek are engaged in a fierce battle to dominate this rapidly expanding sector. Behind this technological competition lie major geopolitical stakes, revealing an economic and strategic influence war between the United States and China.

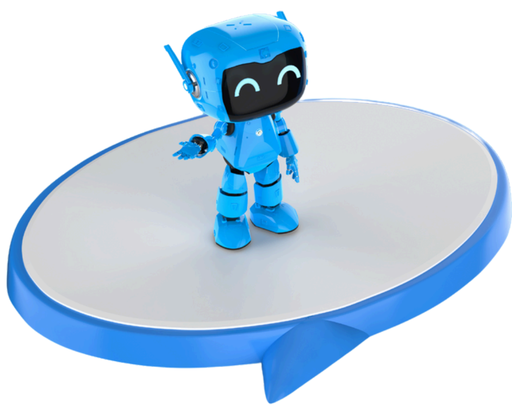
IAG is seen as the next major turning point in humanity, on par with electricity or the Internet. Unlike current AIs, which remain specialized in specific tasks (text writing, image generation, etc.), IAG would be capable of understanding, learning, and adapting like a human. This prospect evokes as much hope as it does fear. While some see it as an unprecedented opportunity for progress, others worry about the ethical deviations and socio-economic upheavals it could bring about.

ChatGPT : The Pioneer

OpenAI, a pioneer in the industry with ChatGPT, made its mark by popularizing the use of generative AI. Its CEO, Sam Altman, sees generative AI as an opportunity to revolutionize the global economy and accelerate scientific discoveries. However, he also acknowledges the inherent risks of such technology, particularly when misused. For this reason, OpenAI actively advocates for strict regulation of generative AI, while continuing its research to stay ahead. Yet, this ethical vision does not stop it from bolstering its capabilities, as it fears the rise of new competitors.

DeepSeek : The challenger

It is in this context that DeepSeek emerges, a Chinese startup challenging American giants. Its model rivals ChatGPT and Google's Gemini, but what is most surprising is its development cost: only 6 million dollars, compared to 3 billion for OpenAI.



This demonstrates DeepSeek's effectiveness in research and development, as well as the strategic support from the Chinese government. China has never hidden its ambition to become the global leader in AI, and DeepSeek is the symbol of that determination. Its meteoric success on the App Store, both in China and the United States, raises concerns among Americans. Faced with this technological breakthrough, the United States fears losing its digital supremacy, paving the way for a full-blown economic war.

Grok 3 : The outsider

In this battle for AGI, Elon Musk refuses to remain a bystander. A former co-founder of OpenAI, he returns to the competition with Grok 3, developed by his company xAI. Integrated into the X platform (formerly Twitter), Grok 3 stands out for its relaxed tone and natural interaction with users. Musk harbors grand ambitions and aims to create human-level AI while ensuring maximum safety. His approach, blending innovation and ethics, echoes his past warnings about the dangers of AI.

However, his influence is not limited to technology. Musk understands better than anyone the media impact of his innovations and knows how to leverage his notoriety to attract users. By integrating Grok 3 into X, he aims to redefine online social interactions while competing with OpenAI and DeepSeek in the AGI market.

Behind this technological competition lie significant geopolitical stakes. The United States and China are engaged in a digital cold war to dominate the AI sector, which is considered strategic for both the economy and defense. The rise of DeepSeek, supported by the Chinese government, prompted American President Donald Trump to announce a $100 billion investment plan to strengthen OpenAI’s technological infrastructure.
This rivalry is not limited to companies.
It also involves data control, cybersecurity, and cultural influence. While China bets on a closed and controlled ecosystem, the United States defends an open and competitive model. This ideological divergence will shape the future of AI and influence international relations.

The battle between ChatGPT, DeepSeek, and Grok 3 is just beginning, and its outcome remains uncertain. While AGI promises scientific and economic advances, it also raises complex ethical questions.

INVEST IN CUSTOMS ENGINEERING TO OPTIMIZE YOUR INTERNATIONAL TRADE

Too often seen as merely an administrative formality, customs management is actually a key element in the strategy of companies operating internationally. Anticipating regulatory constraints, optimizing costs associated with customs duties, and securing the flow of goods are major challenges to avoid unexpected setbacks and boost competitiveness: this is where customs engineering comes into play. Moreover, the rise of artificial intelligence technologies is now opening up new perspectives to automate and refine this management, transforming customs into a genuine lever for performance.

Customs engineering is based on a proactive approach that aims to structure a company's customs management right from the design of its supply chain. Rather than considering customs as an administrative burden at the end of the process, it must be integrated from the very early stages in order to anticipate the regulatory and fiscal impacts of international flows.
This involves several key levers :
The selection of appropriate Incoterms, an optimized tariff classification, and the judicious use of customs regimes and free trade agreements.

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Anticipating these elements not only helps reduce costs by avoiding unnecessary customs duties but also secures the flow of goods by minimizing border delays.

A well-thought-out strategy also ensures better regulatory compliance, thereby reducing the risk of penalties or costly delays.
Some companies use customs engineering to bypass certain regulations, but at what cost?

Nvidia, a global leader in GPU design, sees its business model challenged by customs practices that involve recording a significant portion of its sales through financial hubs, particularly in Singapore. This method allows the company to bypass U.S. restrictions—especially by supplying customers in China despite an embargo on advanced technologies—but exposes it to significant regulatory and financial risks.

According to an investigation, approximately 28% of Nvidia's revenue is accounted for through Singapore. This mechanism enables the company to invoice components, including next-generation GPUs (graphics processing units), leveraging its local infrastructure while shipping products to China.
Although this practice is common in international trade, it raises questions about its compliance with U.S. export regulations.

This strategy is not merely a loophole to evade sanctions.
Several factors indicate that Nvidia is now particularly vulnerable:

According to Reuters, the new U.S. export regulations pose a direct threat to Nvidia's revenue, especially since 56% of its turnover comes from international markets, with China accounting for approximately 17%. Maintaining these practices could lead to sanctions, legal disputes, and a loss of trust from investors and business partners.

In the short term, this approach allows Nvidia to sustain sales in strategic regions despite restrictions. However, it raises concerns about the long-term viability of this model in an environment where export controls are tightening. The risks involved could force the tech giant to rethink its strategy to avoid sanctions that might jeopardize its dominant position.

YOUR CUSTOMS MONITORING

ANTI-DUMPING DUTIES

REGISTRATION OF IMPORTS OF CHOLINE CHLORIDE FROM CHINA
A registration for the imports of choline chloride from China was implemented following the initiation of an antidumping procedure in October 2024. It concerns the former NC codes 2923 10 00, 2309 90 31, 2309 90 96, 2106, and 3824 99 96, and will remain in force until October 21, 2025.

LEVER MECHANISM – CHINA
An anti-dumping duty of 47.4% has been imposed on arch-shaped mechanisms originating from China as of January 22, 2025 (NC code 8305 10 00), except for DongGuan Humen Nanzha World Wide Stationery Mfg. Co., Ltd., which benefits from a reduced rate of 27.1%. This measure follows a review of the expiring measures.

STAINLESS STEEL HOT-ROLLED FLAT PRODUCTS
Antidumping measures on certain stainless steel hot-rolled flat products originating from China, Indonesia, and Taiwan will expire on October 8, 2025, unless reexamined. Union producers may request a review by providing evidence that ending the measures would result in continued dumping and harm.

REGISTRATION OF IMPORTS OF HEADLESS SCREWS OF CHINESE ORIGIN
A registration concerning the importation of headless screws made of iron or steel (NC codes 7318 15 42 and 7318 15 48) originating from China was established on January 30, 2025, and will remain in effect until October 31, 2025.

Provisional Duty on Titanium Dioxide of Chinese Origin
A fixed-amount provisional duty has been imposed on imports of titanium dioxide originating from China (CN codes formerly 2823 00 00 and 3206 11 00). Certain companies benefit from a reduced rate.

THERMOSENSITIVE PAPER - KOREA
Expiration of antidumping measures on imports of certain thermosensitive papers originating from Korea, unless reviewed. The measures are scheduled to expire on 21/10/2025.

IMPORT OF LIFTING PLATFORMS
An anti-dumping duty of 54.9% has been imposed on imports of mobile lifting platforms originating from China (CN codes formerly 8427 10 10, 8427 20 19, 8428 90 90, 8431 20 00, and 8431 39 00), with the definitive collection of provisional duties. Some companies benefit from a reduced rate.

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CS2 - INTEGRATION OF ROAD AND RAIL TRANSPORT

As of April 1, 2025, the EU Import Control System (ICS2) will extend to road and rail transport. Carriers will be required to submit a complete ENS prior to the arrival of goods. Operators not yet ready must contact their national customs authority before March 1, 2025, to request a deployment window.

TARIFF CLASSIFICATION – MODIFICATION OF NEC 6292101092

Two modifications to the customs explanatory notes have just been published:

1. **Position 5603 (Non-wovens) :** This position covers products that combine a non-woven fabric (textile fibers) with cellulose fibers bonded by water jets (hydro bonding). The nature of the product remains unchanged even if the textile fibers are not visually predominant.

1. **Sub-position 6292101092** (Surgical Gowns in "Spinale") : This includes non-woven surgical gowns that combine a textile fabric with cellulose fibers through hydro bonding, with the possibility of polyester reinforcements on the inner side.

SBDU – ANNUAL REPORT ON EXPORT CONTROLS IN THE EU

The Annual Report on the Control of Dual-Use Goods Exports in the EU has been published, providing an overview of the 2022 data and the key points for 2023 and 2024. It details the issuance of licenses and the risks associated with exporting sensitive products in the current geopolitical context.

OCTROI DE MER FOR RÉUNION

Modified taxes effective as of March 1, 2025, have been published, affecting 150 customs codes, including certain vehicles, household appliances, alcoholic beverages, and everyday consumer goods. The DROM (Réunion, Martinique, Guadeloupe, Guyana, Mayotte) are considered export territories with respect to the EU, with goods destined for the Union being exempt from customs duties but subject to the octroi de mer tax, each DROM having its own rates.

EU-CHILE NEW PREFERENTIAL ORIGIN AGREEMENT

The interim agreement between the EU and Chile comes into effect on February 1, 2025. Two scenarios apply:

1. If your product is already exempt from customs duties: No action is required.
2. If your product is subject to customs duties: You can benefit from an exemption under certain conditions by using the agreement.
3. Situations vary depending on whether you are an exporter or an importer.

YOUR CUSTOMS MONITORING

MAYOTTE – DUTY/PORT DUES EXEMPTION

Following Cyclone Chido, new customs clearance procedures and revisions to customs duty and port dues exemptions have been published. Goods intended for aid to the victims in Mayotte may be exempt from these charges on two legal bases. The exemptions apply to government agencies, charitable organizations, and four categories of goods, including products distributed free of charge to victims, essential goods, and equipment for charitable organizations.

CLOTHING LABELS AS OF 01.01.2025

Since January 1, 2025, companies with an annual turnover exceeding €10 million and placing more than 10,000 units of products on the market per year must comply with clothing labeling regulations. Six pieces of information must be provided, including the geographical origin of the three key manufacturing stages: weaving, dyeing/printing, and garment assembly.

FIREARMS AND AMMUNITION IMPORT AND EXPORT AUTHORIZATIONS

Regulation 2025/41, dated December 19, 2024, introduces new rules for the import, export, and transit of goods, in accordance with Article 10 of the United Nations Protocol against the Illicit Manufacturing and Trafficking of Firearms. Annex 1 lists the firearms and ammunition concerned, distinguishing between those that are “prohibited,” “subject to authorization,” and “subject to declaration.” Annexes 2 and 3 contain the sample authorization forms for import and export. This regulation will be applicable from February 12, 2029.

MACF Quarterly Report Update

Following the update of the MACF/CBAM program, documents have been revised, including a quarterly report in XSC and XLS formats, as well as updates to the functionalities of the declarants' portal for version CBAM 1.4.0.1. The CBAM will be implemented in its final form starting in 2026, after a transitional phase from 2023 to 2025, aligned with the gradual phase-out of free SEQE quotas to support the decarbonization of the EU industry.