



**Asia-Pacific
Economic Cooperation**

2025/SOM3/EGILAT/011

Agenda Item: VII.B

International Wood Products Association (IWPA) Trade Update

Purpose: Information

Submitted by: IWPA



**28th Experts Group on Illegal Logging
and Associated Trade Meeting
Incheon, Korea
28–30 July 2025**



Trade Policy State of Play

June 15th, 2025

IWPA Trade Policy Updates

About IWPA	Learn More About IWPA and Our Mission
Overview of U.S. Current Politics	How It Will Impact Trade Policy
Section 232 Investigation on Timber & Lumber	Where We Are and What to Expect Moving Forward
IEEPA	Actions and Reactions to IEEPA “Reciprocal Tariffs”
What Else Could Be Coming Globally?	Other Trade Actions that Could Impact the Timber Sector
Questions?	

About IWPA

The International Wood Products Association is North America's leading trade association advocating for the growth and acceptance of responsible, ethical, and sustainable forest products sourced globally while supporting communities, trade, and consumers.

We are not affiliated with the U.S. government and do not speak on behalf of the Administration.





U.S. Political Realities

- ❑ Partisan & bicameral policy & political disagreements
- ❑ Targeting of imports in general
- ❑ Administration sway over politics & challenges
- ❑ Legislation & government funding faces uphill climb
- ❑ Tight vote counts

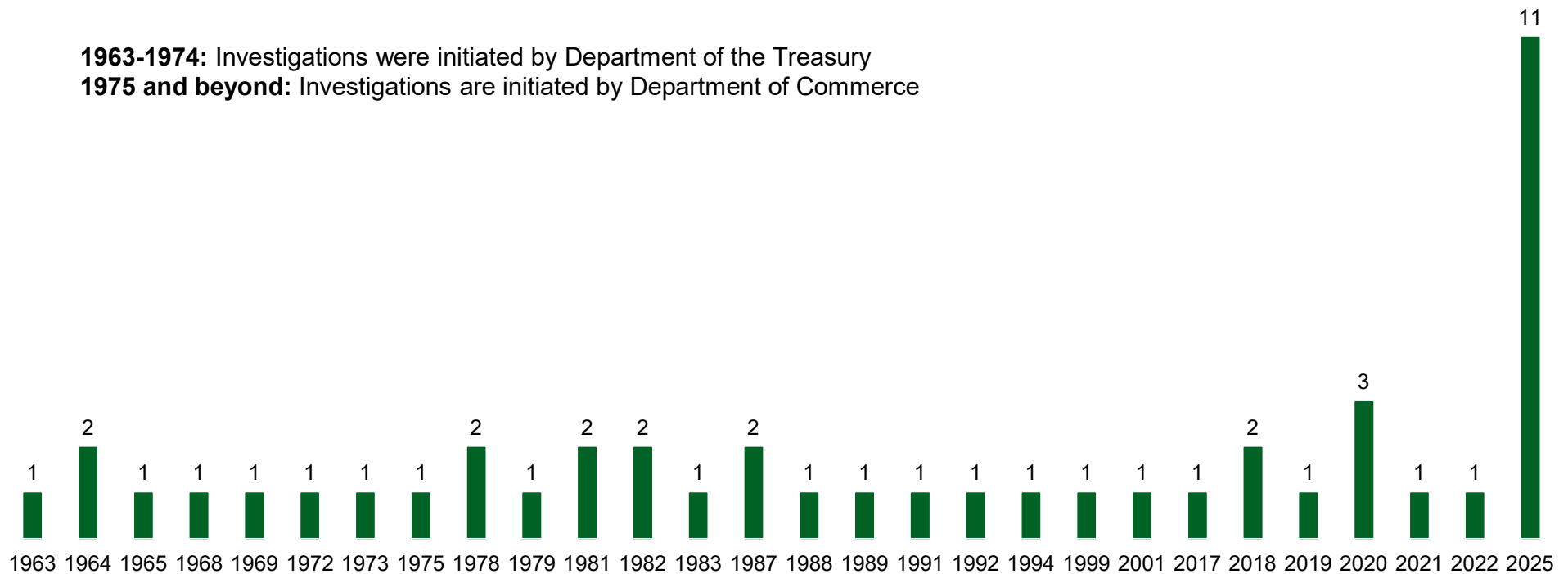


Section 232 in the Trump Administration

Section 232 of the Trade Expansion Act of 1962 delegates significant authority to the American President to restrict imports deemed a threat to “national security”

232 Historical Context

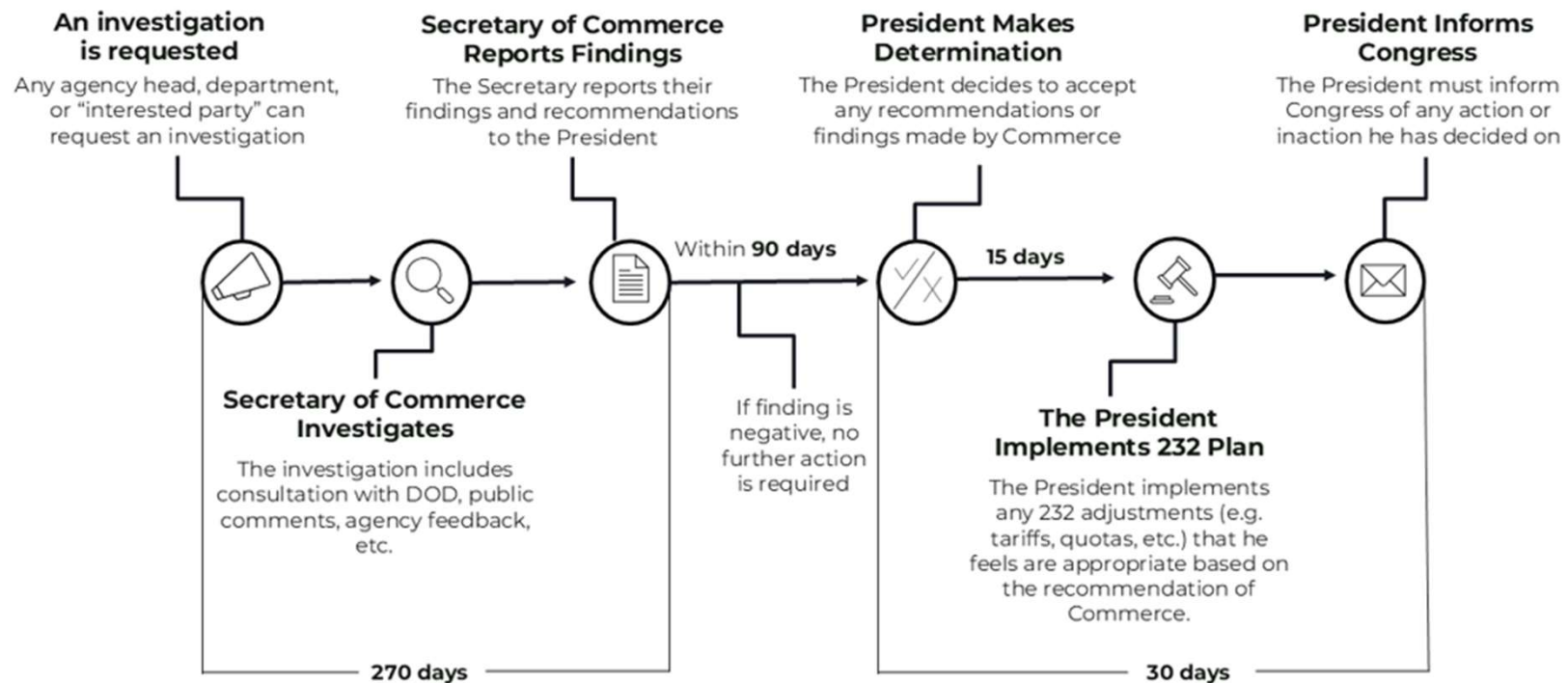
1963-1974: Investigations were initiated by Department of the Treasury
1975 and beyond: Investigations are initiated by Department of Commerce



Understanding 232

- ❑ On March 10th the United States initiated an investigation of wood and lumber under section 232 of the Trade Expansion Act of 1962
- ❑ Section 232 gives the President, after an investigation has been conducted, the ability to implement tariffs or quotas on products which “impair US national security”
- ❑ The entire 232 process can take up to 390 days, although the process can be expedited significantly
- ❑ Expected: tariffs on included wood products and derivatives. The scope can be limited or expansive, and goods under this scope can be added in at any time, with backdated duties due to initial announcement.
- ❑ IWPA expects that the wood and lumber 232 process will be moving into its final stages **at any time, although the statutory deadline is not until December 5th**

Timeline of 232 Actions



Active 232 Investigations

Commodity	Initiated	Closed	Effective Date	Days Elapsed	Rate	Exclusion process?
Aluminum	January 24	June 3	June 4	130	50%	NO
Steel	March 8	June 3	June 4	87	50%	NO
Copper	March 10	July 4	August 1	116	50%	
Timber & Lumber	March 10					
Semiconductors	April 1					
Pharmaceuticals	April 1	"very soon"	12-18 months from announcement		200%	UNKNOWN
Trucks	April 22					
Critical Minerals	April 22					
Commercial Aircraft/Jet engines	May 1					
Polysilicon	July 1					
Unmanned Aircraft Systems	July 1					

232 Investigations

Commodity	Initiated	Closed	Effective Date	Days Elapsed	Rate	Exclusion process?
Automobiles	2018	May 17, 2019	April 3 2025	2,149	25%	NO
Automobile parts	2018	May 17 2019	May 3 2025	2,179	25%	NO

It is unclear how far back the Administration is able and/or willing and/or interested in going. Will additional previous 232 investigations be “reopened”?

“We upheld a presidential proclamation that increased tariffs on steel beyond Proclamation 9705’s rate, concluding that when the President, within the 232 time limits at issue, adopts a plan of action that contemplates future contingency-dependent modifications, those time limits do not preclude the President from later adding to the initial import impositions in order to carry out the plan to help achieve the originally stated national-security objective where the underlying findings and objective have not grown stale.” Primesource vs. United States, 2021

Final Thoughts on 232

- Uncertainty on: rates, exclusions, ultimate duration
- Retroactivity a future problem? (*Back to original date*)
- Will future trade agreements include carve-outs?

“I have further determined that it is necessary and appropriate to allow for the implementation of the U.S.-UK Economic Prosperity Deal of May 8, 2025 (EPD), and to accordingly provide different treatment, as described below, for imports of steel and aluminum articles, and their derivatives, from the United Kingdom.”* WH Proclamation, June 3, 2025

*[*0% except for 25% on steel derivatives and steel derivative articles]*

Reciprocal Tariffs

Status update on tariffs issued under the
International Emergency Economic Powers Act
(IEEPA)

Reciprocal Tariffs - IEEPA

- Announced April 2, 2025
- 10% “universal tariff” plus additional economy-specific “reciprocal tariff”
Additional reciprocal tariff paused until August 1, 2025. Letters began going out on July 7th.
- U.S. Court of International Trade rules that the authority cited, the International Emergency Economic Powers Act (IEEPA), does not grant the President Authority to impose such far-reaching tariff remedies
 - Currently stayed and under appeal to the U.S. Court of Appeals for the Federal Circuit and expected to be appealed to the U.S. Supreme Court
- **Goods such as wood products covered by a Section 232 investigation are not included**

Economy	Letter	Date	8/1/25 Rate	Annex I Rate	8/1/25 vs. Annex I
Mexico	Link	7/12/25	30%	25%**	+5%
The EU	Link	7/12/25	30%	20%	+10%
Canada	Link	7/10/25	35%	25%**	+10%
Philippines	Link	7/9/25	20%	17%	+3%
Brunei Darussalam	Link	7/9/25	25%	24%	+1%
Moldova	Link	7/9/25	25%	31%	-6%
Algeria	Link	7/9/25	30%	30%	0%
Iraq	Link	7/9/25	30%	39%	-9%
Libya	Link	7/9/25	30%	31%	-1%
Brazil	Link	7/9/25	50%	10%*	+40%
Sri Lanka	Link	7/9/25	30%	44%	-14%
Japan	Link	7/7/25	25%	24%	+1%
South Korea	Link	7/7/25	25%	25%	0%
Malaysia	Link , Link	7/7/25	25%	24%	+1%
Kazakhstan	Link	7/7/25	25%	27%	-2%
South Africa	Link	7/7/25	30%	30%	0%
Laos	Link	7/7/25	40%	48%	-8%
Myanmar	Link	7/7/25	40%	44%	-4%
Tunisia	Link	7/7/25	25%	28%	-3%
Indonesia	Link	7/7/25	32%	32%	0%
Bangladesh	Link	7/7/25	35%	37%	-2%
Serbia	Link	7/7/25	35%	37%	-2%
Cambodia	Link	7/7/25	36%	49%	-13%
Thailand	Link	7/7/25	36%	36%	0%
Bosnia and Herzegovina	Link	7/7/25	30%	35%	-5%

Tariff Letters (as of 7/15/25)

*Subject to 10% IEEPA universal tariff, not an Annex I tariff

**Subject to a 25% IEEPA tariff on non-USMCA-compliant goods

What else could impact the Timber Sector?

US Sanctions on Russia

- July 14: President Trump announced that if the war between Russia and Ukraine does not end within 50 days (September 2) he will impose 100% secondary tariffs on Russia. This means any economy who continues to do business with Russia would face this 100% tariff on their own goods entering into the United States.
- There is a bipartisan Senate bill that would allow the President to impose an up to 500% additional secondary tariff on any economy which purchases Russian oil, gas, or uranium.
 - The bill has 85/100 Senators co-sponsoring
 - House Speaker Mike Johnson has indicated his support in bringing to the floor.
 - The Senate has paused its advance to see how President Trump chooses to handle this issue over the summer.

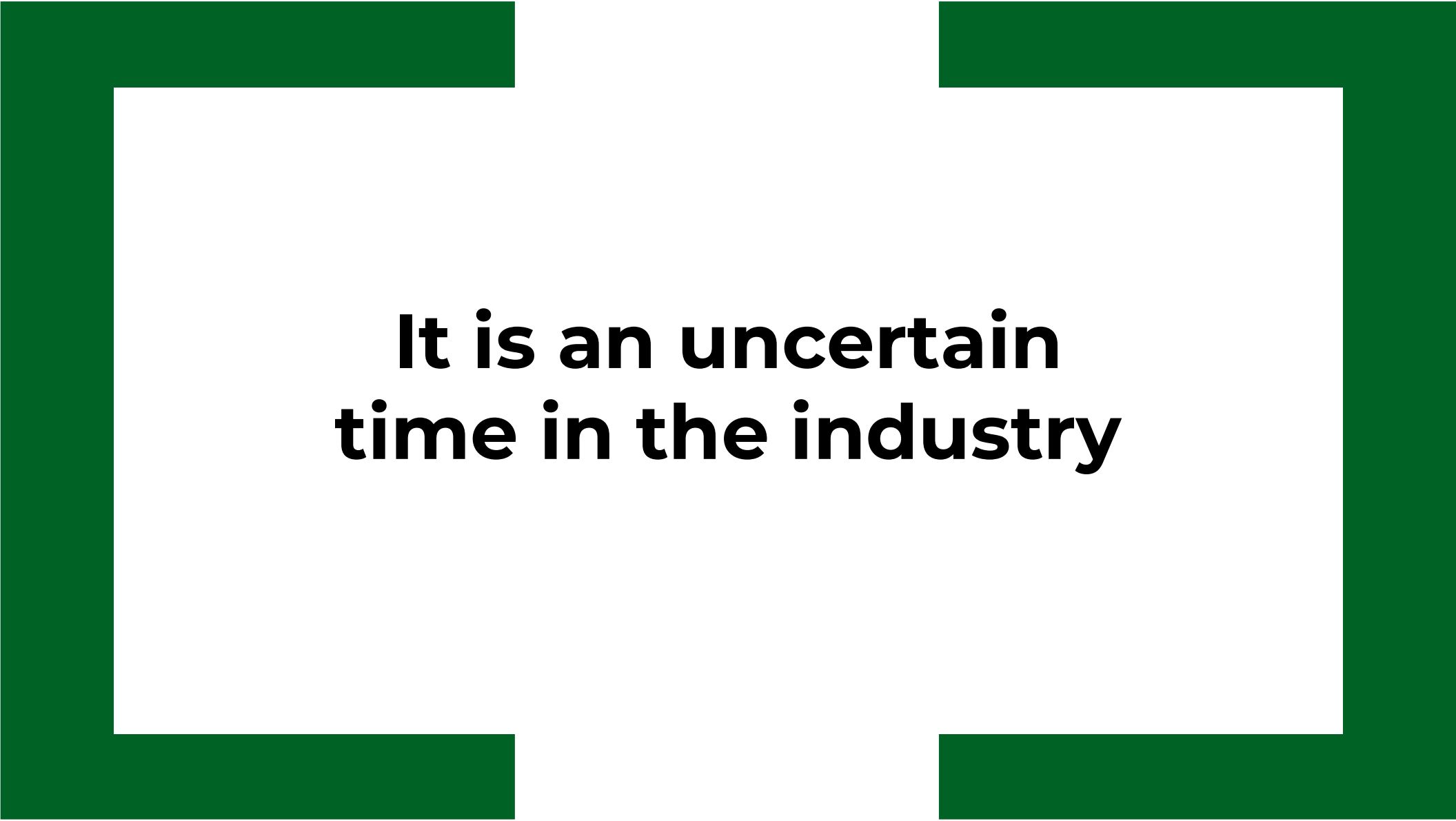
What else could impact the Timber Sector?

EUDR possible changes

- June 24: the European Parliament's Committee on the Environment, Climate and Food Safety (ENVI) voted in favor (49-37) of a motion rejecting the “country benchmarking” as proposed by the Commission and recommending the inclusion of a negligible risk category (among additional changes). The Commission strongly opposed the motion during the debate.
- This was taken up by the European Parliament, which voted 373 in favour/289 against/26 abstaining. The objection specifically cites the Commission’s use of outdated data and its failure to include a “no-risk” category, which Parliament views as essential to distinguishing between economies’ risk levels. The Commission is not obligated to act on this, but historically has given serious consideration to Parliamentary objections alleging that the Commission has exceeded its regulatory authority.

What else could impact the Timber Sector?

- Options for the Commission could include:
 1. Proceed with the benchmarking as originally proposed.
 2. Amend the benchmarking list or process—potentially introducing significant legal uncertainty around the EUDR's implementation timeline.
 3. Withdraw and revise the benchmarks in response to the objection, rendering the EUDR temporarily inoperable.
 4. Agree to reform the benchmarking criteria or process as part of the 2026 review, while leaving the current list unchanged — allowing the EUDR to proceed on schedule.
- Luxembourg and Austria continue to push for reforms to the EUDR within the EU Council. You can see the letter they circulated [here](#). In addition to their work on the council, their agricultural ministers led another letter—signed by 18 agriculture ministers from across the EU—calling for regulatory changes. That letter can be accessed [here](#).



**It is an uncertain
time in the industry**



Questions?