

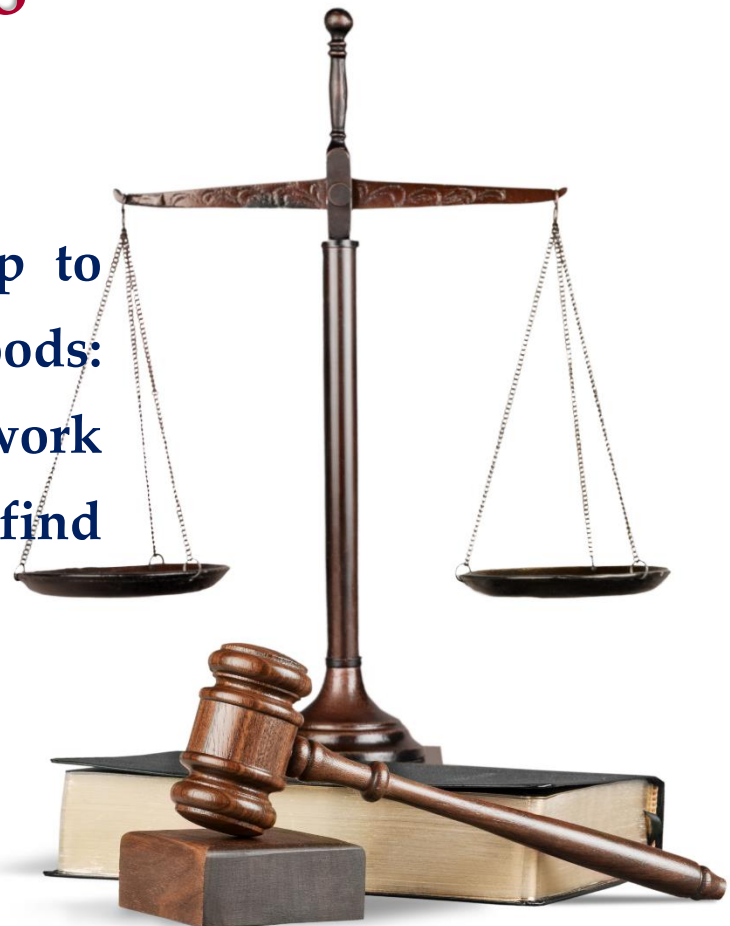


GLOBAL VIETNAM
LAWYERS

LEGAL ALERT

April 2025

US imposes import tariff up to 46% on Vietnamese goods: Businesses to stay calm and work with the Government to find suitable solutions



www.gvlawyers.com.vn

1. In the early morning of April 3, 2025 (Vietnam time), US President Donald Trump announced a new import tax policy on more than 180 economies, with Vietnam being among the top countries subject to the highest countervailing tax of up to 46%.

Reciprocal Tariffs			Reciprocal Tariffs		
Country	Tariff Charged to the U.S.A.	U.S.A. Discounted Reciprocal Tariff	Country	Tariff Charged to the U.S.A.	U.S.A. Discounted Reciprocal Tariff
China	67%	34%	Peru	10%	10%
European Union	39%	20%	Nicaragua	36%	18%
Vietnam	90%	46%	Norway	30%	15%
Taiwan	64%	32%	Costa Rica	17%	10%
Japan	46%	24%	Jordan	40%	20%
India	52%	26%	Dominican Republic	10%	10%
South Korea	50%	25%	United Arab Emirates	10%	10%
Thailand	72%	36%	New Zealand	20%	10%
Switzerland	61%	31%	Argentina	10%	10%
Indonesia	64%	32%	Ecuador	12%	10%
Malaysia	47%	24%	Guatemala	10%	10%
Cambodia	97%	49%	Honduras	10%	10%
United Kingdom	10%	10%	Madagascar	93%	47%
South Africa	60%	30%	Myanmar (Burma)	88%	44%
Brazil	10%	10%	Tunisia	55%	28%
Bangladesh	74%	37%	Kazakhstan	54%	27%
Singapore	10%	10%	Serbia	74%	37%
Israel	33%	17%	Egypt	10%	10%
Philippines	34%	17%	Saudi Arabia	10%	10%
Chile	10%	10%	El Salvador	10%	10%
Australia	10%	10%	Côte d'Ivoire	41%	21%
Pakistan	58%	29%	Laos	95%	48%
Turkey	10%	10%	Botswana	74%	37%
Sri Lanka	88%	44%	Trinidad and Tobago	12%	10%
Colombia	10%	10%	Morocco	10%	10%

2. Accordingly, from April 5, 2025, the basic tax rate applied to all goods imported into the US is 10%. Then, from April 9, 2025, a higher countervailing tax will be applied to more than 60 countries that the US designates as "causing trade imbalances," including China (34%) and Vietnam (46%).

The tax calculation formula is based on the trade deficit of the relevant countries in their trade relations with the US. It seems that the US uses the formula: $\text{Tariff} = \text{Bilateral Trade Deficit} / \text{Total Import Value from that country}$. For Vietnam, the trade deficit is \$123.5 billion (exports \$136.6 billion, imports \$13.1 billion), the deficit ratio compared to total trade turnover is about 90%, and the US Government takes 50% ($90\% / 2 = 45\%$, rounded up to 46%) to apply. This 50% rate is referred to by President Trump as a "friendly and reciprocal" tax, demonstrating a flexible approach and paving the way for bilateral negotiations with countries.

President Donald Trump's Countervailing Tariff Formula

Trade deficit with Vietnam	Imported from Vietnam
USD 123.5 billion	÷ USD 136.6 billion
= 90.4%	
Take the trade deficit ratio divided by 2	
to get the corresponding tax rate of 46%	

3. However, the countervailing tax does not apply to certain items, including copper, pharmaceuticals, semiconductors, lumber, gold, energy, and some minerals not available in the US. Vietnamese associations and experts believe that the 46% tax that the US applies to Vietnam is an additional countervailing tax based on the basic 10% tax for all imports. This tax targets strategic items (such as textiles, footwear, furniture) or industries under anti-dumping/subsidy investigations (AD/CVD), reducing the competitiveness of Vietnamese goods in the US, while forcing Vietnam to adjust its trade balance.



4. The high countervailing tax imposed by the US on Vietnamese goods has caused many Vietnamese businesses to be confused and worried. When this tax is applied, not only can Vietnamese goods exported to the US be greatly affected, but it can also impact foreign investment flows in the near future.
5. GV Lawyers accompanies and shares with businesses, especially those affected by the US countervailing tax policy. Businesses should stay calm and proactively find solutions, while cooperating with Government agencies in seeking effective solutions.



**GLOBAL VIETNAM
LAWYERS**

CONTACT US

info@gvlawyers.com.vn

HCMC - Head Office

8/F, Centec Tower
72 – 74 Nguyen Thi Minh Khai
Vo Thi Sau Ward, District 3
Ho Chi Minh City, Vietnam
Tel: +84 (28) 3622 3555

Ha Noi - Branch

10A/F, CDC Building
25 Le Dai Hanh
Hai Ba Trung District
Ha Noi, Vietnam
Tel: +84 (24) 3208 3555

Da Nang - Branch

3/F, Indochina Riverside
Tower, 74 Bach Dang
Hai Chau District
Da Nang City, Vietnam
Tel: +84 (28) 3622 3555

The contents of the Legal Alert neither constitute legal advice nor necessarily reflect the opinions of our firm or any of our attorneys or consultants. The Legal Alert provides general information, which may or may not be complete or up to date at the time of reading. The content is not intended to be used as a substitute for specific legal advice or opinions. Please seek appropriate legal advice or other professional counselling for any specific issues you may have. We, GV Lawyers, expressly disclaim all liabilities relating to actions whether taken or untaken based on any or all contents of the newsletter.

www.gvlawyers.com.vn

