



Shifting Sands: How Evolving Trade Policies in the US Reshape Global Timber Industry Operations

International Wood
Products Association

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.



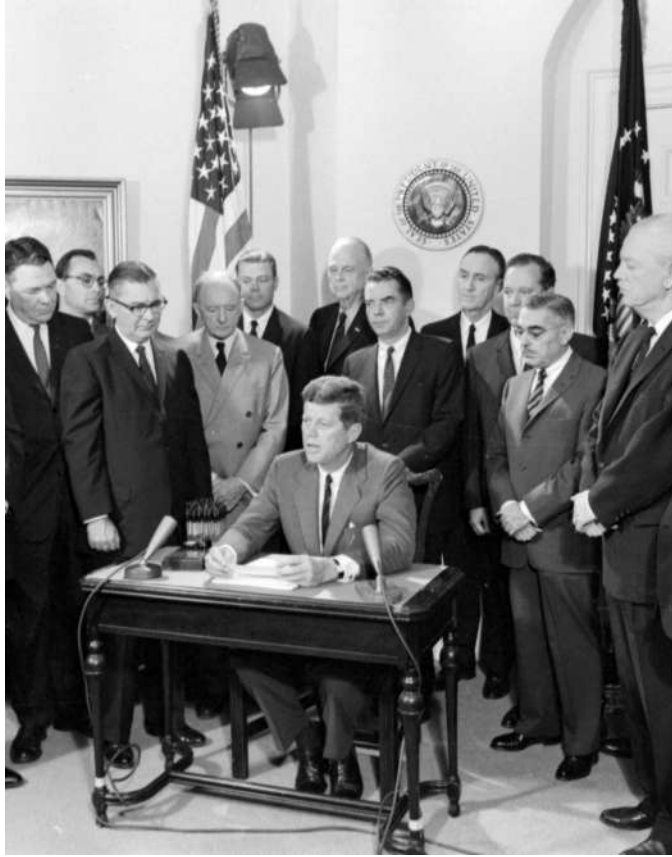
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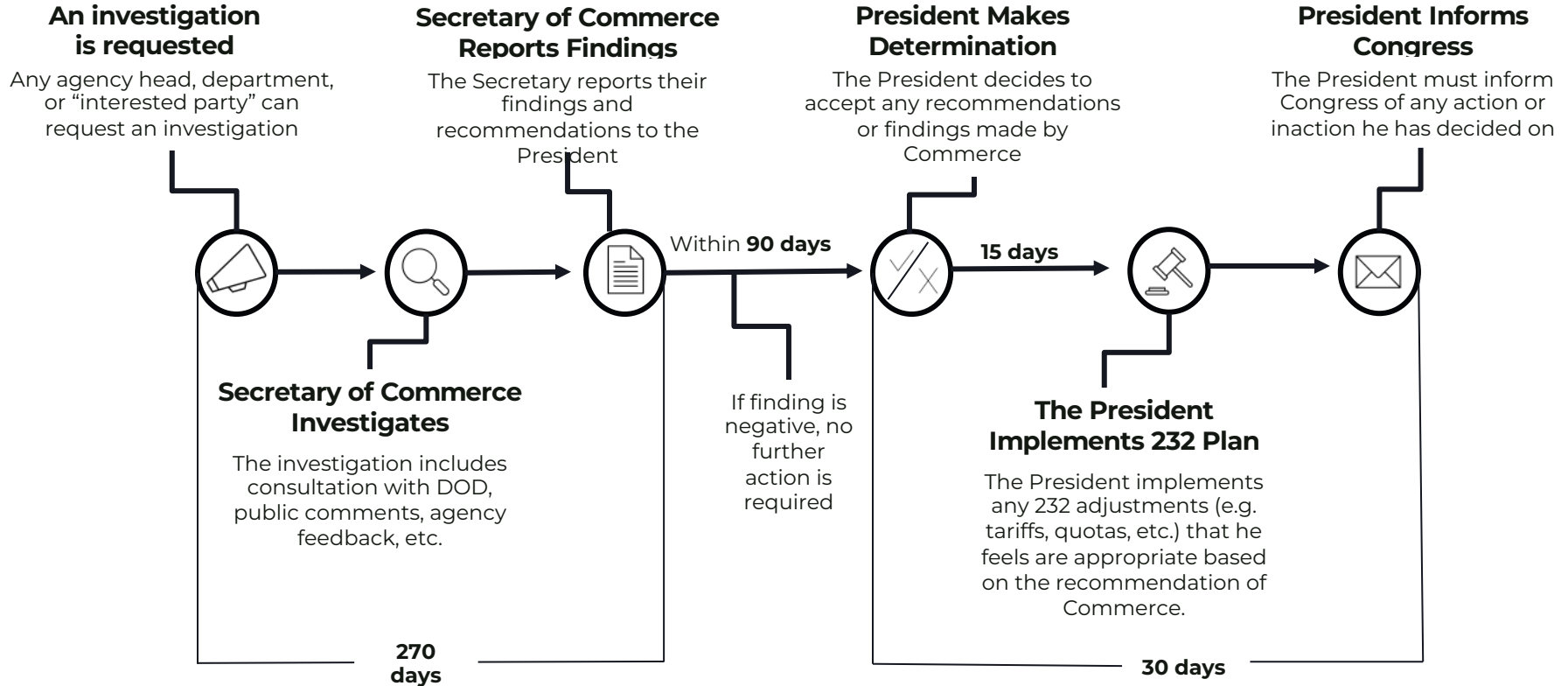
Certain material presented is presented on a preliminary basis and may not reflect guidance that has yet to be implemented or released by agencies.

We strongly recommend consulting with your trade counsel or licensed customs broker to understand how policies affect your products in particular. IWPA can provide a list of trade attorneys and customs brokers in our membership.



Understanding 232

Timeline of 232 Actions



Understanding Lumber 232

- ❑ On March 1st 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 investigation was completed on July 1st of this year
- ❑ The report is required to be published by statute. We do not expect that the Trump administration will comply

The Executive Order: 232 Lumber

#1

Softwood Lumber

New 232 Rate: **10 Percent**

#2

Upholstered Furniture

New 232 Rate: **25 Percent**
Rate After Jan 1, 2026: **30 Percent**

#3

Cabinetry & Parts

New 232 Rate: **25 Percent**
Rate After Jan 1, 2026: **50 Percent**

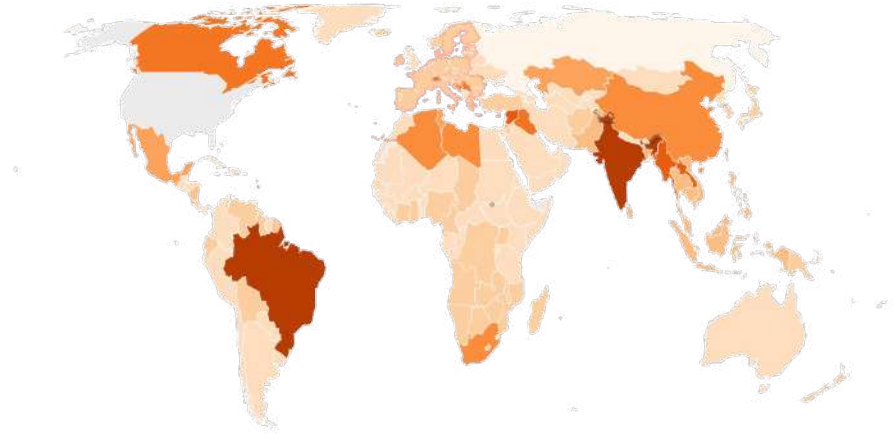


Hardwoods

Hardwoods are currently not subject to 232 duties, but may be in the future. Additionally, they are generally now subject to the duties imposed under IEEPA with important limited exceptions.

IEEPA Tariffs

The Trump administration has imposed a number of different tariffs under IEEPA. Many wood products will be newly subject to these duties.



Types of IEEPA Tariffs

Reciprocal

Tariffs affect every country, but may be affected by specific agreements. There is a base rate of 10%.

Country Specific

Individual tariffs targeting specific countries. Examples include Canada, Mexico, China, India, and Brazil.

| Countries and Territories | Reciprocal Tariff |
|--|------------------------------|
| Afghanistan | 15% |
| Algeria | 30% |
| Angola | 15% |
| Bangladesh | 20% |
| Bolivia | 15% |
| Bosnia and Herzegovina | 30% |
| Botswana | 15% |
| Brazil | 10% |
| Brunei | 25% |
| Cambodia | 19% |
| Cameroon | 15% |
| Chad | 15% |
| Costa Rica | 15% |
| Côte d` Ivoire | 15% |
| Democratic Republic of the Congo | 15% |
| Ecuador | 15% |
| Equatorial Guinea | 15% |
| European Union: Goods with Column 1 Duty Rate[1] > 15% | 0% |
| European Union: Goods with Column 1 Duty Rate < 15% | 15% minus Column 1 Duty Rate |
| Falkland Islands | 10% |
| Fiji | 15% |
| Ghana | 15% |
| Guyana | 15% |
| Iceland | 15% |

| Countries and Territories | Reciprocal Tariff |
|---------------------------|-------------------|
| India | 25% |
| Indonesia | 19% |
| Iraq | 35% |
| Israel | 15% |
| Japan | 15% |
| Jordan | 15% |
| Kazakhstan | 25% |
| Laos | 40% |
| Lesotho | 15% |
| Libya | 30% |
| Liechtenstein | 15% |
| Madagascar | 15% |
| Malawi | 15% |
| Malaysia | 19% |
| Mauritius | 15% |
| Moldova | 25% |
| Mozambique | 15% |
| Myanmar (Burma) | 40% |
| Namibia | 15% |
| Nauru | 15% |
| New Zealand | 15% |
| Nicaragua | 18% |
| Nigeria | 15% |

| Countries and Territories | Reciprocal Tariff |
|---------------------------|-------------------|
| North Macedonia | 15% |
| Norway | 15% |
| Pakistan | 19% |
| Papua New Guinea | 15% |
| Philippines | 19% |
| Serbia | 35% |
| South Africa | 30% |
| South Korea | 15% |
| Sri Lanka | 20% |
| Switzerland | 39% |
| Syria | 41% |
| Taiwan | 20% |
| Thailand | 19% |
| Trinidad and Tobago | 15% |
| Tunisia | 25% |
| Turkey | 15% |
| Uganda | 15% |
| United Kingdom | 10% |
| Vanuatu | 15% |
| Venezuela | 15% |
| Vietnam | 20% |
| Zambia | 15% |
| Zimbabwe | 15% |

Source: EO 14326 July 31, not updated with subsequent changes. Base reciprocal rate is 10%

What are Annex II and Annex III?

It is common for Executive Orders to refer to an annex or multiple annexes that include clarifying information. Additionally, some EOs refer to previously issued annexes that impact multiple trade actions, two of which are summarized below:

Annex II: Exempts certain products from the reciprocal tariffs, as well as the Russia Oil tariffs.

Origin: EO 14257 - Regulating Imports With a Reciprocal Tariff To Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits (April 2, 2025)

Annex III: A non-exhaustive list of items that the United States would be willing to trade at duty free levels in a potential trade deal, includes products not naturally available in the United States

Origin: EO 14346 - Modifying The Scope Of Reciprocal Tariffs And Establishing Procedures For Implementing Trade And Security Agreements (September 5, 2025)

Continued Annex II Exemptions

Official Definition:

“... except those tariff

provisions that: (i) are included

on [Annex III] , and (ii) do not

include products of a type that

are subject to an antidumping

or countervailing duty order...”

Clause 12, in part

What Continues to be Exempt

The current exemption is, in effect, narrowly tailored to include some tropical timbers. Officially, products that were on Annex II which were also included on Annex III and not **of a type** of product subject to an AD/CVD order are on Annex II.

Notes on Clause 12 Exemptions

1. As of writing, products imported under the below HTS classifications remain on Annex II
 - a) 4403.42.00, 4403.49.02, 4407.21.00, 4407.22.00, 4407.23.01, 4407.25.00, 4407.26.00, 4407.27.00, 4407.28.00, 4407.29.02, 4408.31.01, 4408.39.02
2. “Of a type” likely includes AD/CVD orders on that type of product anywhere in the world
3. Annex II continues to be the operative exemption
4. Subject to unilateral change by executive order

Malaysia Schedule-2

US Import Codes:

44034100 44034200 44034902 44072100
44072200 44072301 44072500 44072600
44072700 44072800 44072902 44083101
44083902 44092205 44092210 44092225
44092240 44092250 44092260 44092265
44092290 44123106 44123126 44123142
44123145 44123148 44123152 44123161
44123192 44124100 44125110 44125131
44125141 44125151 44129106 44129110
44129131 44129141 44129151

The U.S. Malaysia Trade Agreement

On October 26th, 2025, the United States and Malaysia announced that they had reached an agreement which would substantially decrease tariffs between both countries. **Implementation of the agreement is still forthcoming.**

Details of the Agreement

1. The key parts of the agreements are “schedule 1” and “schedule 2”
2. Schedule 2 lists products of Malaysia that receive tariff deductions when imported to the US.
 1. Schedule 2 is listed in HTSUS classifications
3. The agreement contains reciprocal tariff reductions for products some tropical hardwoods, plywood, moldings, flooring, etc.

IEEPA & Judicial Review

Some IEEPA tariffs are being challenged before the Supreme Court

- Two consolidated cases- both have held the tariffs to be illegal

Outcome is highly uncertain: Decisions can take weeks to months

- Justices asked far more pointed questions than is typical
- There are a range of possible outcomes: Any ruling overturning tariffs would likely be remanded back to CIT
- Admin has plans in place if IEEPA tariffs are overturned – future litigation likely



Dispositions of the Justices in Oral Arguments

Based on IWPA Analysis

Thomas



Kavanaugh



Gorsuch



Kagan Sotomayor



Likely to Uphold Tariffs

Likely to Overturn Tariffs



Alito



Roberts



Barrett



Jackson

IEEPA vs. Section 232

Where do your products belong?

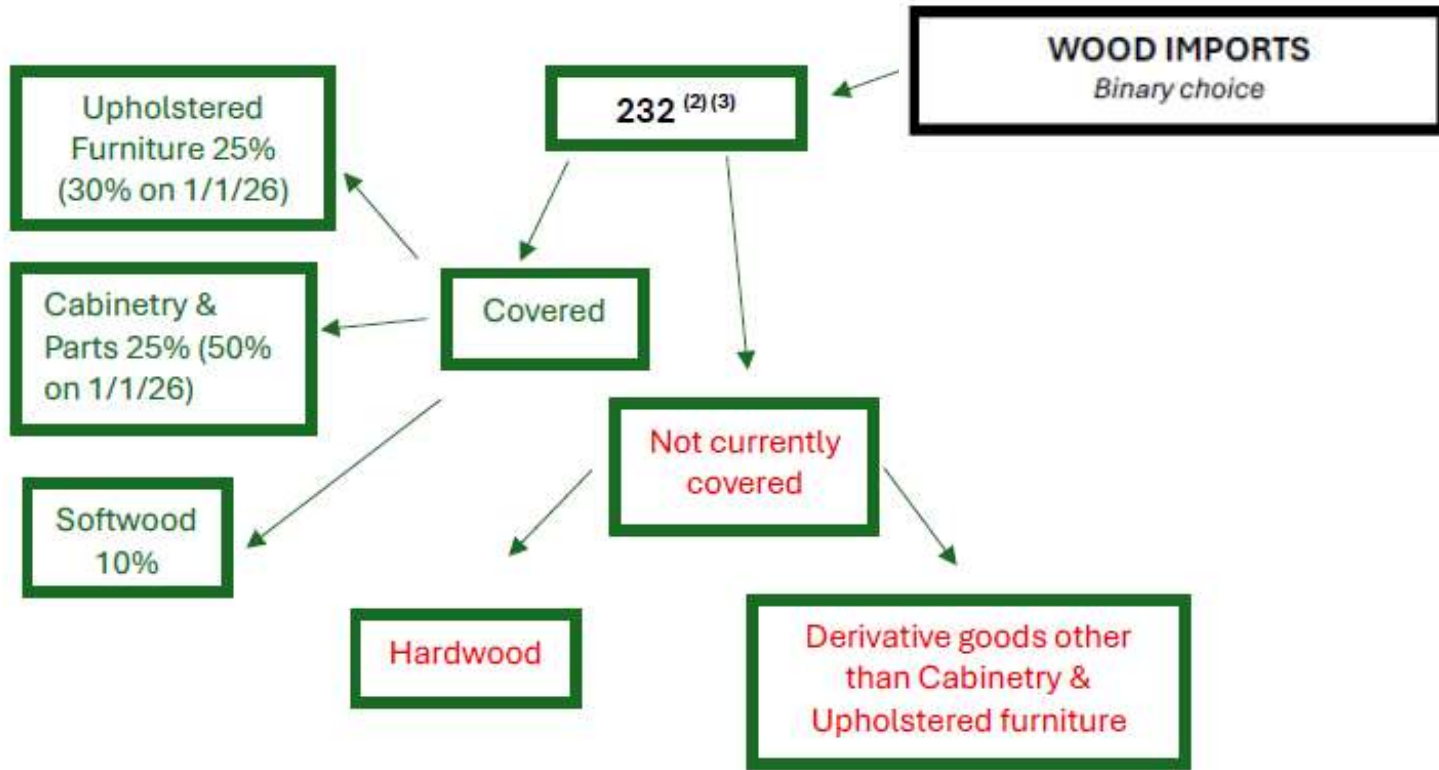
Importation of Wood Products

it is a binary choice of

232

IEEPA Reciprocal/
Country
Specific

You do not get to personally choose.



2) GSP & AGOA do not apply to 232.

3) Check CBP guidance if item interacts with another 232.

4) Only the portion with U.S. origin is exempt; non-U.S. subject.

WOOD IMPORTS

Binary choice

Exception:
20% or more

IEEPA: Reciprocal/Country
Specific ⁽¹⁾ ⁽⁵⁾

10% Base rate, see
country specific
list at CBP

Annex 2
Exceptions

Annex II: Exempts certain products from the reciprocal tariffs, as well as the Russia Oil tariffs.

1) IEEPA tariffs are pending Supreme Court Review in November but are in place for the time being

5) China, Canada and Mexico are special cases.

Exceptions & Stacking

Exceptions

| | | |
|---------------|----------------|-------|
| USMCA | 232 | IEEPA |
| UK 15% Cap | 232 | IEEPA |
| EU 15% Cap | 232 | IEEPA |
| Japan 15% Cap | 232 | IEEPA |

Stacking

| | | |
|-------------------------|----------------|-----------|
| AD/CVD | 232 | IEEPA |
| MFN Rates | 232 | IEEPA |
| Brazil Specific | 232 | IEEPA (1) |
| Indian (Russian oil) | 232 | IEEPA (2) |

[1] Brazil is currently set at 10% base plus 40%, except for 4407.29.02

[2] Except for Annex 2

What is Coming Ahead?

| Possible Future Actions | 232/IEEPA | Expected Timeline & Details |
|--|-----------|--|
| Brazil 301 | Unknown | Initiated 7/15/25; Generally completed in a year. |
| Hardwood Report | 232 | 10/1/26 deadline for report on Hardwood inclusion. |
| Inclusion process | 232 | Unknown |
| Additional Russian oil actions | Unknown | Unknown |
| China Shipbuilding | n/a | Delayed for one year (11/10/26) port fees |
| USTR Report on Trade Negotiations | 232 | 1/1/26 |

Inclusions

Inclusion process - The EO directs the Secretary of Commerce to establish a process to determine if adding products to the scope of the tariffs will reduce or eliminate the national security threat.

It is expected that stakeholders will be able to propose additional products and derivatives for inclusion in the scope of the 232 tariffs

Exclusions to Inclusions

In the first Trump Administration, 232 processes offered exclusions
In the second Trump Administration, it's all about inclusions

| Commodity | Inclusion Process | Notes |
|-------------------|--------------------------|--|
| Steel | Open | General public can petition for additions 3 times a year: January, May and September |
| Aluminum | Open | General public can petition for additions 3 times a year: January, May and September |
| Copper | Yes but not open | Due by Oct 28 |
| Auto Parts | Yes but not open | Announced but not implemented |

2 Rounds of Inclusions

As of **11/4/25** there have been

153 inclusion requests (58 vs 95)

1212 Tariff code inclusion requests (523 vs 689)

407 Tariff codes inclusions approved in Round 1 (77.8%) = 536 new codes in Round 2

This was just **2 round** of inclusion requests for **2 commodities**

Every request was approved in Round 1 that was

- 1) a valid tariff code
- 2) not already subject to a 232 tariff
- 3) not part of an ongoing 232 investigation or the Section 301 China shipbuilding

**“There is no minimum content threshold—
if the product contains covered steel or
aluminum, the derivative duty can apply.”**

Peter Navarro

Senior Counselor for Trade and Manufacturing to President Trump

August 2025



Looking Ahead

Key Dates, Inclusion Processes, and the
Future of IWPA Advocacy

Upcoming Key Dates and Actions

1. October 14, 2025 - New duty rates take effect (we do not expect an in-transit exemption)
2. January 1, 2026 - 232 duty rates on softwood lumber, upholstered furniture, and cabinets & vanities rise to higher levels.
3. January 1, 2026 – Update from USTR on current trade negotiation status
4. March 28, 2026 – Deadline for adjusting imports if trade deals are ineffective
5. October 1, 2026 - Deadline for a report from the Secretary of Commerce "on imports of hardwood timber and lumber, their markets, and the domestic industry, so that the President may determine whether imposing an additional duty on imports of hardwood timber or lumber..."
6. Ongoing - "The Secretary [of Commerce] shall continue to monitor imports of wood products and shall, from time to time...review the status of imports of wood products with respect to the national security of the United States. The Secretary shall inform the President of any circumstances that, in the Secretary's opinion, might indicate the need for further action by the President under section 232."

Q&A

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