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Chapter 3

Rebuilding America's International Trade Policy

The current international trade policy is the engine of American economic strength, industrial capacity, and global leadership, and it safeguards national security. It shapes the competitiveness of U.S. workers and firms, the resilience of critical supply chains, and the Nation's ability to lead in advanced manufacturing, technological innovation, and energy production. International trade is a critical component of the American economy, opening up additional markets for U.S. businesses to sell their products and enabling the valuable exchange of goods and services across borders. This process fosters efficiency, increases product variety for consumers, and drives economic growth.

Foreign unfair trading practices and beggar-thy-neighbor trade and industrial policies in other countries have created tremendous problems across the U.S. economy and negate the efficiencies of trade, to the detriment of American workers and industry. Decades of these practices have resulted in massive U.S. trade deficits, have disrupted the livelihoods of American workers, and have created vulnerabilities in supply chains and critical industries that pose risks for national security (Autor, Dorn, and Hanson 2016). When President Trump returned to office in January 2025, he did so with a clear mandate from the American people: to confront a trade system that had drifted far from balance, fairness, and reciprocity, and to restore trade policy as a tool that serves American workers, industries, and national security.

The Administration inherited a trading system plagued by large and persistent goods deficits, structural asymmetries in market access, and global trade practices that too often advantaged foreign producers while undermining American production. The United States no longer produces many key manufactured

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products and inputs across the modern global value chain, and the trajectory was one of continued decline. Meanwhile, despite the openness of the U.S. market, American exporters continued to face tariffs, nontariff barriers, discriminatory regulations, and unfair state-backed industrial policies abroad. Loopholes and outdated enforcement mechanisms weakened the integrity of U.S. trade laws and customs systems, allowing unfair competition to flourish at scale.

In 2025, the President crafted the new America First Trade Policy that does not allow other countries to treat us unfairly and grow at the expense of our citizenry and economy. It recognizes and is centered in U.S. sovereignty and national interests. The Administration has pursued a comprehensive strategy to rebuild the U.S. industrial base, rebalance trade relationships, enforce reciprocity, close loopholes that undermine American workers, and use America's market power to secure better terms with trading partners. President Trump has leveraged trade policy as a catalyst for investment—driving unprecedented levels of domestic and foreign capital into U.S. manufacturing, energy, technology, and infrastructure.

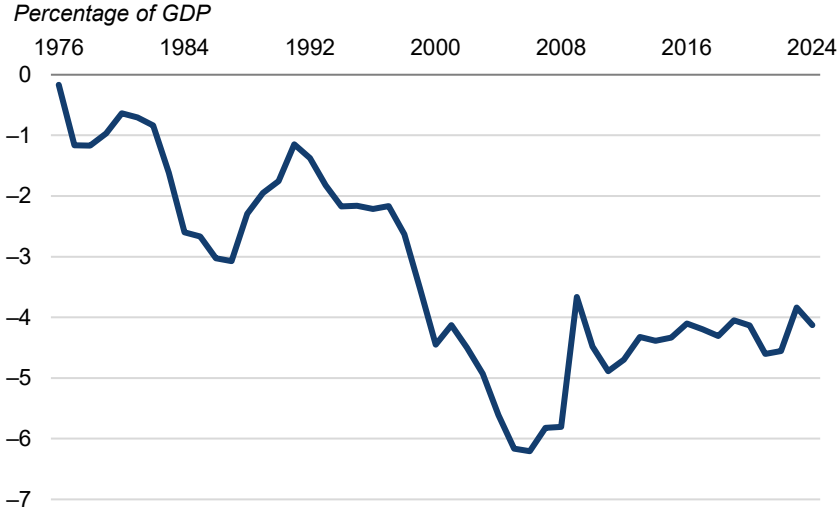
This chapter describes the trade conditions facing President Trump upon his return to office, outlines the Administration's approach to restoring balance and fairness, and highlights some of the recent major trade and investment achievements that have already begun to reshape America's economic trajectory and to strengthen its national security.

Balancing Trade

Upon returning to office, President Trump confronted a trade system that was structurally misaligned with America's economic and national security interests. These distortions included nonreciprocal tariff regimes, extensive foreign subsidies, state-directed overcapacity, and regulatory barriers that limited U.S. exports while foreign producers benefited from access to the U.S. market. The result was degradation of America's industrial base and wages across our economy.

After decades of balanced trade and trade surpluses, the United States began running consistent trade deficits in goods in the second quarter of 1976 (BEA 2026). The United States' goods trade balance, which is the difference between its exports and imports of goods, was in a deficit of $1.2 trillion in 2024:

Figure 3-1. U.S. Goods Trade Balance as a Share of GDP, 1976–2024



Sources: Bureau of Economic Analysis; CEA calculations.
Note: Negative trade balances indicate a trade deficit.

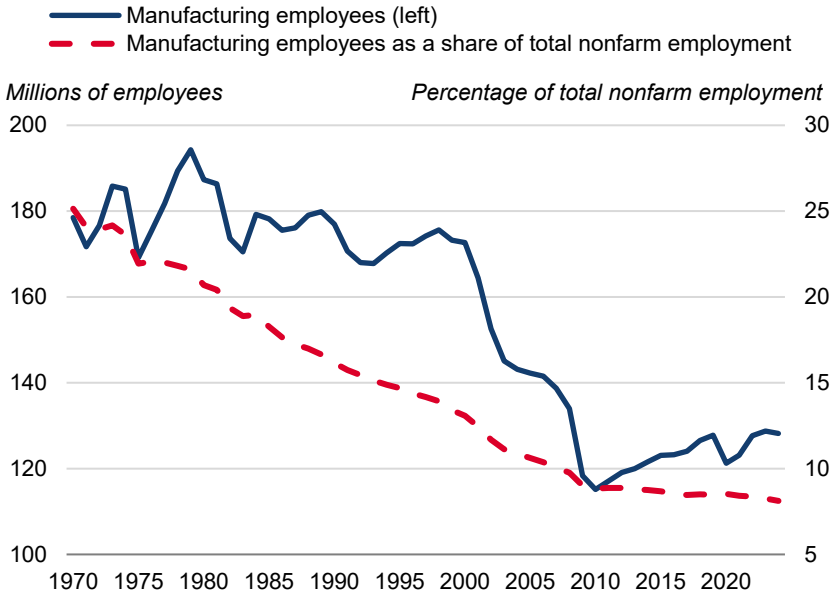
the United States bought about $3.3 trillion in goods from other countries, but only sold approximately $2.1 trillion of goods to them (BEA 2026). This represents an increase of almost 40 percent from the value of the 2020 goods trade deficit. The 2024 goods trade deficit amounts to 4.1 percent of U.S. gross domestic product (GDP), a marked increase from the late 1990s, when the goods trade deficit consistently hovered around 2 percent of GDP (figure 3-1).

In recent years, the U.S. trade deficit has become increasingly pronounced across several key sectors of the economy. For example, between 2011 and 2024, the U.S. agricultural trade balance fell from a surplus of $39.3 billion to a deficit of $37.6 billion. Similarly, U.S. trade in advanced technology products deteriorated from a surplus of $5.3 billion in 2000 to a deficit of $29.7 billion in 2024. And from 1997 to 2024, U.S. manufacturing employment likewise fell from a high of 17.4 million workers down to 12.8 million (figure 3-2).

In 2024, in addition to running the largest aggregate goods trade deficit in world history, the United States ran bilateral goods trade deficits with most of its major trading partners (figure 3-3). The United States' largest goods trade deficit was with China, at $295 billion.

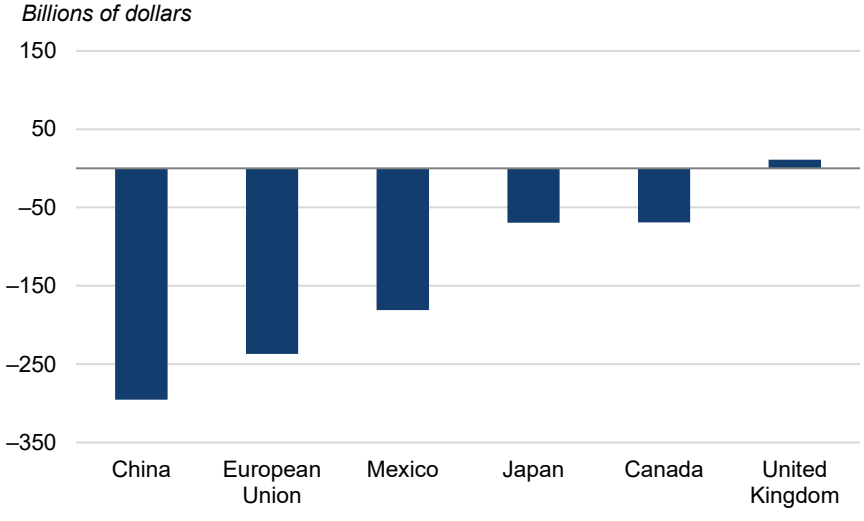
In 2025, the United States improved its goods trade balance with many countries, including China, the United Kingdom, Italy, Germany, and South Korea. The goods trade deficit has greatly narrowed during the Trump Administration, from a monthly average deficit of $101 billion in 2024, to $87 billion in November 2025 (U.S. Census Bureau and BEA 2026).

Figure 3-2. U.S. Manufacturing Employment and Share of Total Employment, 1970–2024



Source: Bureau of Labor Statistics.

Figure 3-3. U.S. Goods Trade Balance, by Country, 2024



Sources: Bureau of Economic Analysis; CEA calculations.

Table 3-1. Top Five Changes in U.S. Goods Imports, 2024 versus 2025, January through October, by Trading Partner

Trading partner	Change in goods imports (in billions of dollars)	Percentage change in goods imports
Top five decreases		
China	–97.1	–26.7
Canada	–20	–5.8
Germany	–6.4	–4.8
South Korea	–5.7	–5.2
Singapore	–4.7	–12.9
Top five increases		
Taiwan	59.6	61.5
Switzerland	54.4	125.3
Vietnam	45.5	40.4
Ireland	39.8	46.8
Mexico	23.9	5.6

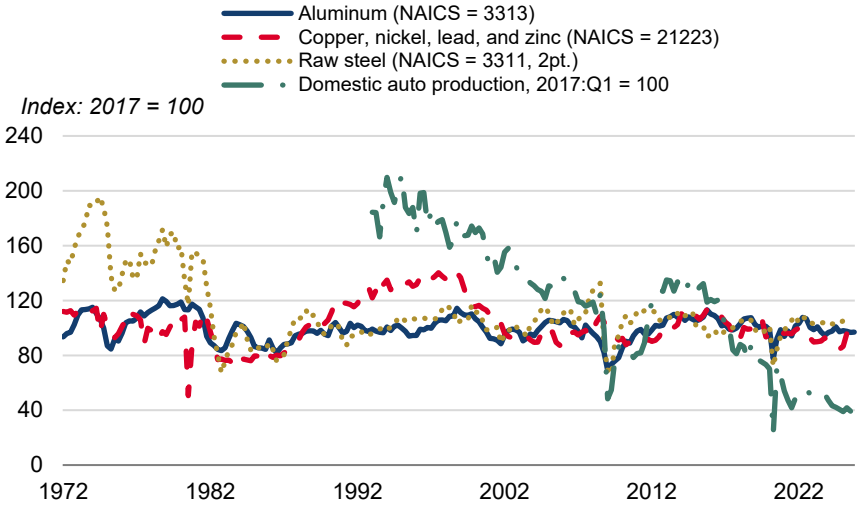
Sources: Trade Data Monitor; CEA calculations.
Note: Changes in goods imports are equal to goods imports in January–October 2025 minus January–October 2024.

This past year also produced important changes in U.S. bilateral trading patterns, most notably a reduction in imports from China, with U.S. goods imports from China falling by $97.1 billion (table 3-1) (U.S. Census Bureau and BEA 2026). Imports from China in 2025 (through October) fell to 9.3 percent of total U.S. imports, which is near the 8.9 percent level in 2000—the year before China joined the World Trade Organization—and down significantly from 13.4 percent in 2024 (Alfaro and Chor 2025). Table 3-1 shows that goods imports also fell from Canada, Germany, South Korea, and Singapore, while increasing with Taiwan, Switzerland, Vietnam, Ireland, and Mexico.

Aligning Policy with Sovereignty, National Security, and Industrial Resilience

Sectoral tariffs designed to address supply chain and national security vulnerabilities are a key component of the Trump Administration's trade policy. President Trump is utilizing his authority to deal with threats to the national security and economy of the United States. For example, President Trump has used Section 232 of the Trade Expansion Act of 1962 to address threats to impair the national security of the United States posed by imports of certain articles and their derivatives; these threats arise from, among other things, import dependence in industries critical to the United States' defense, industrial, and economic capabilities. The Administration has used this authority to assess

Figure 3-4. U.S. Production of Steel, Aluminum, Copper, and Automobiles, 1972–2025



Sources: Board of Governors of the Federal Reserve System; Bureau of Economic Analysis.
Note: NAICS = North American Industry Classification System. NAICS code 3313 refers to alumina and aluminum production and processing. NAICS code 21223 refers to copper, nickel, lead, and zinc mining. NAICS code 3311, 2pt. refers to a partial grouping of NAICS code 3311 (iron and steel mills and ferroalloy manufacturing) and NAICS code 3312 (steel product manufacturing from purchased steel).

where sustained import pressures, global excess capacity, or supply chain concentration threatened the ability of U.S. producers to meet national security demands, especially in times of stress or conflict.

Actions taken under Section 232 have focused on rebuilding domestic productive capacity in core manufacturing sectors, including steel, aluminum, copper, lumber, automobiles, and trucks. These industries underpin infrastructure development, defense production, and broader economic activity, but over the past decades, domestic production in each has stagnated or declined (figure 3-4). These measures have, among other things, incentivized domestic production and investment in U.S. facilities and operations.

President Trump's use of Section 232 authority over the past year has demonstrated a deliberate strategy to craft an America First Trade Policy aligned with national security and industrial competitiveness objectives. These actions have been used to strengthen the conditions under which U.S. manufacturers can invest, expand, and compete globally. By rebuilding the domestic industrial base in strategically significant sectors, the Administration is ensuring that the United States maintains the production capacity, workforce, and technological capabilities necessary to support long-term economic growth and national security.

Trade Agreements Designed to Deliver Results

Since the start of his second Administration in 2025, President Trump has worked to address America's trade imbalance and the trade deficit's negative consequences. By implementing a global tariff regime and establishing newly negotiated, historic trade agreements with some of the United States' largest trading partners, the Trump Administration has instituted a system that works in favor of American interests. By rebalancing economic ties with America's trading partners, these agreements commence a shift away from the unequal arrangements that limited access for American producers, and move toward a framework that secures meaningful market access abroad and incentivizes domestic investment. This strategy, therefore, delivers benefits for American workers, manufacturers, farmers, ranchers, and businesses.

The United States–European Union Economic Framework

In August 2025, the United States and the European Union announced a comprehensive Framework on an Agreement on Reciprocal, Fair, and Balanced Trade (DOC, IEA, and USTR 2025a). Under this framework, the EU will eliminate tariffs on all U.S. industrial goods and provide preferential market access for numerous U.S. agricultural and seafood products. The United States has established a tariff regime that includes a 15 percent baseline rate on EU-originating goods, with exclusions for some components and resources that are not readily available in the United States. The framework is designed as a fundamental first step in the Trump Administration's effort to expand market access for American producers and to ensure fair trade (European Commission 2025; White House 2025a).

In the U.S.-EU trade framework, the European Union outlined plans to purchase $750 billion in U.S. energy products through 2028, to increase procurement of U.S. military and defense equipment, and to purchase at least $40 billion in U.S. artificial intelligence (AI) chips. European firms have pledged to invest an additional $600 billion across strategic U.S. sectors over the same period. Simultaneously, the agreement includes cooperation on standards and efforts to reduce or eliminate nontariff barriers in key industries, such as automobiles, digital trade, and food products (European Commission 2025; White House 2025a).

This framework reflects a broader alignment of American and European strategic interests. Both sides have committed to enhancing cooperation on reliable, diversified energy supplies and promoting cross-border investment flows to sectors that are critical to national security and technological innovation (European Commission 2025). By modernizing the trade relationship between the United States and the EU, the new framework supports long-term growth

and competitiveness for the U.S. and EU economies (DOC, IEA, and USTR 2025a).

The United States–Japan Strategic Trade and Investment Partnership

In July 2025, the United States and Japan announced their Strategic Trade and Investment Agreement. This agreement strengthens economic relations between two of the world's largest economies through a mutual commitment to long-term prosperity and a more balanced economic alliance (White House 2025b).

One of the agreement's central provisions is Japan's $550 billion commitment to invest in the United States. Japan's investment is structured to expand American industries by channeling Japanese capital into crucial American industries, such as energy infrastructure and production, semiconductor manufacturing, and critical minerals mining and refining. Through this arrangement, Japanese investment will strengthen U.S. production capacity and deliver tangible economic benefits for American workers (White House 2025b).

In addition to Japan's investment commitments, the agreement establishes a 15 percent baseline tariff framework on most goods from Japan, while also expanding access to Japan's markets for U.S. producers. The framework includes increased Japanese purchases of U.S. agricultural products and improved treatment of U.S.-manufactured vehicles and industrial goods in the Japanese market (White House 2025b).

The United States–United Kingdom Economic Prosperity Deal

In May 2025, the United States and the United Kingdom agreed on the U.S.-U.K. Economic Prosperity Deal. The agreement establishes a framework to expand reciprocal trade and removes harmful trade barriers for American producers (DOC, IEA, and USTR 2025b). In the deal's framework, the United Kingdom agreed to improve market access for certain U.S. goods, including significant duty-free quotas for American beef and ethanol (Jozepa and Webb 2026). The United States agreed to provide adjusted tariff treatment for select U.K. products, thus expanding commercial opportunities for both nations (DOC, IEA, and USTR 2025b). In addition to modifying tariff provisions, the Economic Prosperity Deal includes commitments to streamline issues related to customs and enhance regulatory cooperation in agricultural exchange (White House 2025c).

The pharmaceutical arrangement provides a key provision that addresses long-standing concerns about pricing and market access for innovative medicines. In this framework, the United Kingdom committed to reforms that improve pricing outcomes for innovative pharmaceuticals and support greater investment in pharmaceutical development. In return, the United States agreed

to provide favorable trade treatment for U.K.-originating pharmaceuticals and certain medical technologies (USTR 2025a).

Modernizing the United States' Trade and Investment Ties with Taiwan

In February 2026, the United States and Taiwan announced their Agreement on Reciprocal Trade, building on their January 2026 investment agreement that commits Taiwan-based firms to at least $250 billion in investment in U.S. semiconductor, energy, and AI production. This investment is complemented by an additional $250 billion in Taiwanese government financing and credit support for a semiconductor supply chain and ecosystem in the United States. These commitments are intended to expand semiconductor manufacturing capacity on American soil, reinforcing U.S. leadership in the foundational technologies that are essential both for economic growth and national security (USTR 2026a; DOC 2026).

The Agreement on Reciprocal Trade modernizes the bilateral trade relationship by expanding market access for U.S. exports. For example, the agreement removes Taiwan's trade barriers on U.S. agriculture and industrial exports. The agreement establishes clear trade conditions and promotes fair competition, ensuring that American businesses are able to succeed in Taiwan's markets (USTR 2026a).

Fundamentally, the integrated trade and investment deals with Taiwan will support high-value job creation, develop advanced manufacturing capabilities, and reduce vulnerabilities in critical supply chains. Simultaneously, U.S. firms are provided with improved access to Taiwan's markets, which strengthens the United States–Taiwan economic relationship in the direction of innovation and economic security. By aligning strategic tariff treatment with investment incentives, this trade framework with Taiwan encourages firms to contribute to domestic capacity expansion.

Deepening the United States' Partnership with South Korea

Building upon decades of goodwill and a fruitful alliance, the United States and South Korea have recently advanced a strengthened economic partnership. Their November 2025 agreement emphasizes commercial cooperation and durable trade terms (USTR 2025b).

A key aspect of this modernized partnership is South Korea's commitment to invest in the United States. This investment is structured to support American economic and strategic goals. Included in this investment framework is $200 billion in Korean government investment in U.S.-approved projects crucial for America's national and economic security, and $150 billion in Korean government investments that will aid in the expansion of U.S. shipbuilding capacity. This framework ensures that investments flow toward the United States'

domestic production capacity and will enhance its manufacturing competitiveness for the long term (White House 2025d).

The United States and South Korea have also reaffirmed their past trade agreements, ensuring the continuation of their mutually beneficial relationship. These renewed agreements include terms that support market conditions for U.S. exporters and reinforce cooperation across a variety of strategically important industries. The renewed economic partnership between the United States and South Korea will help strengthen America's domestic manufacturing base while remaining integrated with this key strategic partner (USTR 2025b).

Advancing the United States–India Economic Partnership

In February 2026, the United States and India reached an agreement on a mutually beneficial and reciprocal trade framework, which will serve as the foundation for reaching a broader trade agreement in the future. The framework reflects India's commitment to eliminate or significantly reduce tariffs on U.S. industrial and agricultural goods. In turn, the United States agreed to reduce tariff rates on Indian goods to 18 percent. Additionally, both sides agreed to negotiate more robust rules of origin and address long-standing nontariff trade barriers (White House 2026a).

Critical to this agreement is India's substantial commitment to purchase $500 billion in U.S. exports over the next five years. This commitment will strengthen domestic industries, including aerospace, energy, technology products, and minerals. This agreement is expected to increase demand for American industry and support high-quality jobs and resilient supply chains. By leveraging American market access to secure more competitive exports and large-scale investments, the framework deepens the U.S.–India economic partnership in ways that advance American competitiveness and prosperity (White House 2026a).

Delivering Export Growth and Supply Chain Resilience Through Additional Agreements

In addition to the above-mentioned partnerships and deals with the United States' largest trading partners, the Trump Administration has also announced numerous bilateral trade and framework agreements aimed at expanding market access and improving trading conditions for U.S. goods and services. These initiatives will strengthen both the U.S. economy and national security by reducing trade barriers, supporting exports, and strengthening commercial commitments with U.S. partners around the world:

- The United States reached a reciprocal trade deal with Indonesia that opens the Indonesian market to U.S. exports on a favorable basis. The deal grows export opportunities for U.S. makers and producers by strengthen-

ing cooperation in key supply chains (White House 2026b).

- The United States and Malaysia announced a trade deal in which Malaysia commits to granting preferential treatment to U.S. exports for a range of industries and diminishing nontariff barriers. The agreement also establishes a partnership for developing critical minerals (USTR 2025c).
- The United States and Cambodia achieved a trade deal that completely eliminates tariffs on U.S. goods, creating market access for the entirety of U.S. exports. The agreement also breaks down nontariff barriers for American exporters (USTR 2025d).
- The United States and Thailand declared a framework for fair trade that eliminates tariffs on 99 percent of goods, including industrial, food, and agricultural products. Thailand also agreed to reduce nontariff barriers and adopt certain regulatory standards (USTR 2025e).
- The United States and Vietnam announced a framework for fair and balanced trade that removes tariffs on almost all U.S. goods, including food and agricultural products. The deal provides U.S. exporters with broad access to Vietnam's market (USTR 2025f).
- The United States reached a framework for a trade agreement with El Salvador that reduces nontariff barriers on U.S. exports and facilitates market access for U.S. producers. This agreement expands business opportunities for U.S. manufacturers and exporters (USTR 2025g).
- The United States announced a trade agreement with Argentina that provides preferential market access and reduces nontariff barriers for U.S. products. This deal strengthens the U.S.-Argentina bilateral relationship by facilitating trade and investment and streamlining regulation (USTR 2025h).
- The United States and Ecuador announced a framework for a trade deal that removes or reduces tariffs and nontariff barriers, particularly for U.S. agricultural exports (USTR 2025i).
- The United States reached a framework for a trade agreement with Guatemala aimed at facilitating preferential market access for U.S. exporters to the Guatemalan market and lessening nontariff barriers to U.S. trade (USTR 2025j).
- The United States' framework for a trade deal with Switzerland and Liechtenstein creates unprecedented market access for key United States agricultural and industrial exports by reducing tariff and nontariff barriers, increasing cooperation to strengthen supply chain resilience, and encouraging substantial new Swiss investment in the United States (White House 2025e).
- The United States' trade agreement with Bangladesh creates preferential market access and removes nontariff barriers for American industrial and agricultural products, strengthens intellectual property protections for American technologies and innovations, and increases supply chain

resilience (USTR 2026b).
- The United States' framework for a trade deal with North Macedonia will eliminate duties on all U.S. industrial and agricultural exports to North Macedonia and break down additional nontarrif barriers (USTR 2026c).

President Trump's trade agreements represent a fundamental realignment of the United States' approach to trade relationships. Each agreement was and is being negotiated with the interest of the nation at mind: protecting America's national security, economy, workers, farmers, and businesses. These agreements demonstrate this Administration's commitment to use trade not only as a means for development but also a tool to advance U.S. economic strength and safeguard America's national security.

Trade as a Driver of Investment and Industrial Renewal

By enforcing fair and reciprocal trade, restoring confidence in American manufacturing, securing energy dominance, and aligning trade policy with national economic and security priorities, the Trump Administration has catalyzed an unprecedented wave of domestic and foreign investment. Over the past year, both domestic and foreign companies have committed trillions of dollars to build factories, expand capacity, deploy advanced technologies, and create durable jobs across the United States.

Across technology, artificial intelligence, semiconductors, pharmaceuticals, energy, infrastructure, and food production, hundreds of billions of dollars are being deployed into projects across the country. Tariffs play a critical role in spurring these investments. As part of trade deals and other agreements, President Trump has secured trillions of investments and purchase commitments for the United States from domestic and foreign companies as well as foreign governments.

Closing Loopholes and Reasserting the Rule of Law in Trade

The Trump Administration has prioritized fighting customs fraud and addressing current loopholes in U.S. trade policy. U.S. Customs and Border Protection (CBP) has increased trade enforcement efforts under the Enforce and Protect Act and related authorities, uncovering significant unpaid duties often related to the misrepresentation of country of origin and the transshipment of goods through intermediary countries in several high-profile cases (CBP 2025a).

In addition, the Department of Justice has increased its role in enforcing U.S. trade laws by pursuing actions against companies that engage in fraud or evade duties (DOJ 2025a, 2025b). On August 29, 2025, the Department of Justice launched a cross-agency Trade Fraud Task Force with the Department of Homeland Security to combat and prevent trade fraud, which deprives the

government of revenue and weakens national security (DOJ 2025c). The task force has resolved several cases of significant illegal duty and tariff evasion via country-of-origin misrepresentation and transshipment (DOJ 2025d; Pillsbury Winthrop Shaw Pittman LLP 2025).

The End of De Minimis

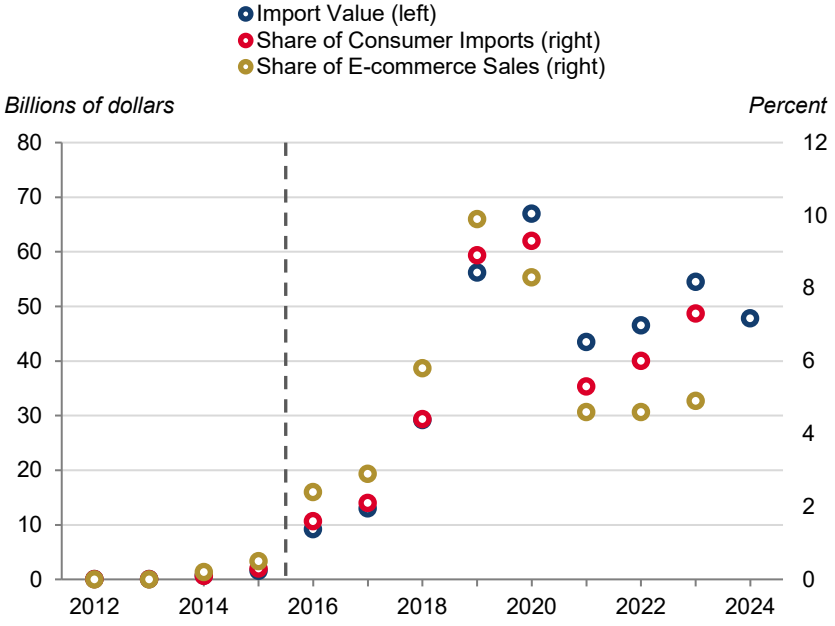
In 2025, the Trump Administration closed the de minimis loophole for shipments. De minimis treatment allowed shipments with self-declared values below a threshold to enter the United States without paying duties, and facing little inspection when compared with regular entry channels. When Congress created the de minimis rule in 1938, that threshold was $1; in 2025, it was $800. De minimis shipments have skyrocketed from 134 million in 2015 to 1.36 billion in 2024 (CBP 2025).

Created by an amendment to the Tariff Act of 1930 in 1938, the original purpose of de minimis, which is Latin for "too trivial or minor to merit consideration," was "to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected" (19 USC 1321). There were three categories: (1) bona fide gifts mailed from abroad, with a $5 limit; (2) articles brought in by travelers for household use, also $5; and (3) "any other" de minimis items, including commercial goods, at $1. In 1938, many of the technologies that now improve the productivity of customs officials in assessing duties did not exist. The shipping container, for instance, would not exist until 1956, and the packaging of maritime goods that arrived to U.S. ports was not uniform. To prevent customs officials from assessing duties that were not worth the cost of assessing them, Congress authorized the Secretary of the Treasury "to admit articles free of duty when the expense and inconvenience of collecting the duty … would be disproportionate to the amount of such duty." The de minimis rule had a wide-ranging impact on competition, public health and safety, and revenue.

In 1952, Congress debated HR 5505, the "Customs Simplification Act." There were proposals to increase the thresholds, but domestic industry successfully convinced Congress to maintain the $1 "all other" de minimis threshold (Public Law 1953). It was not until 1978 that Congress raised the "all other" threshold to $5, citing inflation adjustments (S. Rep. No. 95-778, at 28-29, May 2, 1978).

In 1994, the year the North American Free Trade Agreement went into effect, Congress raised the threshold to enable commercial shipments to enter without paying duties or facing inspection. The Customs Modernization Act, or "Mod Act," increased the bona fide gift threshold from $50 to $100; from $25 to $200 for traveler articles; and a large increase from $5 to $200 for "all other" de minimis.

Figure 3-5. Import Statistics for De Minimis



Source: Fajgelbaum and Khandelwal (2025).

A more significant change was the U.S. Customs Service amending its regulations, under 19 USC sec 143.26, allowing express shippers to import goods without using a customs broker. For the first time in U.S. history, those who merely shipped goods were granted the right to import without being an importer of record or a customs broker representing the importer of record. These two changes caused the first major explosion in de minimis imports.

The de minimis threshold was increased further to $800 in March 2016, after which de minimis imports increased even more, both as a share of e-commerce sales and as a share of all imports (figure 3-5). The increased use of de minimis treatment likely exacerbated "the retail apocalypse" of the late 2010s. During the 2010s, a number of iconic American brick-and-mortar retailers, such as Toys R Us and Sears, filed for Chapter 11 bankruptcy protection, shuttering stores. Peer-reviewed research has found that local increases in e-commerce spending cause declines in brick-and-mortar retail sales (Chava et al. 2023).

Of course, e-commerce—and its benefits—would have existed without the de minimis rule, but because of de minimis treatment, brick-and-mortar retailers faced e-commerce competition subject to a tariff rule that privileged foreign direct-to-consumer business models over themselves. If a direct-to-consumer business sold to a U.S. consumer and shipped the good subject to de minimis treatment, no duty would be paid on the good. If Toys R Us or Sears sold the exact same good as wholesale merchandise, such a shipment would almost

certainly have exceeded the $800 de minimis threshold. Thus, de minimis treatment tilted the playing field against U.S. brick-and-mortar retailers by exposing their supply chains to tariff liability that eluded direct-to-consumer shipments.

Public health and safety. Trade and trade policy are also important factors in national security and public health, and the end of de minimis treatment reflects the Administration's commitment to using trade policy as a tool to achieve national security and public health goals. According to Customs and Border Patrol, in 2024, de minimis shipments accounted, by count, for around 98 percent of narcotics seizures, 97 percent of counterfeit goods seizures, and 77 percent of health and safety seizures, including weapons parts and fentanyl precursors (CBP 2025).

Revenue. Ending de minimis treatment prevents large volumes of low-value shipments from entering the United States without paying the duties that would apply if shipped through other customs processes. By restoring parity between small-package imports and other goods, the reform strengthened enforcement and ensured that all imported products competing with U.S. manufacturers are subject to the same trade rules. The impact of closing the de minimis loophole has been immediate and measurable. According to the Department of Homeland Security, U.S. Customs and Border Protection has collected more than $1 billion in duties that previously went uncollected under the exemption (CBP 2025), underscoring the scale of revenue loss under the prior system and the effectiveness of the reform.

Conclusion

The America First Trade Policy set forth by President Trump has restructured the United States' approach to international trade. By insisting upon fairness, enforcing preexisting authorities, and linking trade outcomes to domestic production and investment, the Administration has reshaped the role of trade, using it as a strategic tool to strengthen the American economy and bolster national security.

Across the economy, trade policy has been pursued in conjunction with wider efforts to rebuild the manufacturing base, secure critical supply chains, expand energy exports, and expand America's leadership in cutting-edge technologies. The exercise of U.S. trade authorities, combined with strategic agreements and frameworks, has improved American access to foreign markets while simultaneously fostering domestic investment. These efforts reinforce the linkage between trade, industrial competitiveness, and national security, creating conditions for the next golden age of economic flourishing.

This new course has already begun to yield tangible results. The evidence demonstrates a clear shift away from concentrated, heavily subsidized foreign suppliers, toward more diversified global supply chains, thereby

reducing America's economic dependence on potentially adversarial nations and strengthening national security.