

A Strategic Pause in U.S. Timber Tariffs: Understanding the 2025 Amendment to Section 232 Measures

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On December 31, 2025, the United States amended its national-security trade measures on timber, lumber, and derivative wood products. The presidential proclamation does not retreat from earlier Section 232 findings; instead, it delays the next phase of tariff escalation while reaffirming the strategic logic behind U.S. intervention in wood-product supply chains.

The amendment modifies **Proclamation 10976**, issued on September 29, 2025, which followed a Commerce Department investigation concluding that imports of timber, lumber, and certain downstream products threatened to impair U.S. national security. That investigation, completed on July 1, 2025, linked import dependence to risks affecting domestic capacity, workforce stability, and the availability of materials critical to infrastructure and defence.

What the Original Measures Did

Proclamation 10976 imposed a tiered tariff regime under Section 232 of the Trade Expansion Act of 1962:

- **10 percent ad valorem duties** on certain softwood timber and lumber; and
- **25 percent ad valorem duties** on downstream wood products, including upholstered wooden furniture, kitchen cabinets, and bathroom vanities.

The proclamation also provided for automatic tariff increases effective January 1, 2026:

- Upholstered wooden furniture: **25% → 30%**
- Kitchen cabinets and vanities: **25% → 50%**

These measures were designed both to protect domestic industry and to incentivize exporting countries to negotiate solutions addressing U.S. national-security concerns.

What Changed on December 31, 2025

The December amendment makes one targeted change: **timing**. The scheduled tariff increases are delayed by one year and will now take effect on **January 1, 2027**. Throughout 2026, existing duty rates remain unchanged at 25 percent for covered downstream products. No products were removed from coverage, and no duties were reduced.

Implications for Industry and Trade Policy

The December 31, 2025 amendment confirms that Section 232 remains a durable instrument of U.S. national security and industrial policy rather than a temporary trade defence measure. By deferring but not withdrawing the scheduled tariff escalation, the administration has provided short term regulatory certainty while maintaining leverage over trading partners to address identified supply chain vulnerabilities.

For companies across the timber, lumber, and downstream wood product sectors, the delay should be viewed as a narrow planning window, not a policy retreat. Existing duties remain in force throughout 2026, and the deferred increases particularly the potential rise to 50 percent on certain derivative products continue to pose material commercial risk. Businesses should therefore reassess sourcing strategies, contractual structures, and potential exclusion pathways without delay.

China represents the world's largest timber import market, followed by major importers such as Germany, Canada, Brazil, and Sweden, each offering substantial demand but operating under distinct commercial, regulatory, and geopolitical conditions. While compliance with technical, environmental, and sustainability standards in these alternative markets may involve higher upfront costs, engagement with such markets provides exporters with greater long-term predictability and strategic planning stability.

Crucially, the one year postponement is politically contingent. Section 232 measures are entirely executive driven, and the current administration retains full authority to accelerate or revise the tariff regime at any time. The January 1, 2027 timeline should therefore not be treated as fixed. Companies should act quickly to diversify markets and restructure supply chains rather than relying on the continuation of the present pause. From a broader perspective, the amendment underscores the evolution of Section 232 into a negotiation centric framework combining tariffs, diplomacy, and domestic capacity policy. As national security determinations increasingly influence market access, early diversification and proactive compliance planning will be essential to managing long term regulatory risk.

Source:

1. <https://www.whitehouse.gov/presidential-actions/2025/12/amendments-to-adjusting-imports-of-timber-lumber-and-their-derivative-products-into-the-united-states/>
2. [https://wits.worldbank.org/CountryProfile/en/Country/WLD/Year/LTST/TradeFlow/Import/Partner/by-country/Product/44-49 Wood#](https://wits.worldbank.org/CountryProfile/en/Country/WLD/Year/LTST/TradeFlow/Import/Partner/by-country/Product/44-49%20Wood#)

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