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Tariff Surge Targets Copper, Canada, and 21 Nations

The Trump Administration has announced a new wave of tariff increases that could significantly disrupt the U.S. electrical construction industry. On July 10, President Trump released a series of letters to foreign governments detailing a sharp escalation of tariffs across a wide range of imports — including a **50 percent tariff on copper** and increased tariffs on key manufacturing countries like **Canada, Japan, Malaysia, South Korea, and others**. These actions will take effect on **August 1, 2025**.

This trade action has the potential to pose **real and immediate challenges** for NECA contractors and suppliers, threatening to **raise project costs, strain existing contracts, and disrupt access to essential materials**.

Copper Tariff Set at 50 Percent – Starting August 1

[As previously reported](#), copper is now facing a 50 percent import tariff under a Section 232 action justified on national security grounds. The electrical construction industry uses an estimated **1 million tons of copper annually**, embedded in nearly every facet of our work: power distribution, wiring systems, conduits, transformers, EV charging infrastructure, and grid modernization projects.

Impact: The 50 percent copper tariff is widely expected to dramatically raise the cost of raw materials, with ripple effects across construction pricing, jobsite planning, and procurement timelines. This is especially concerning for projects with fixed-price contracts, federal bids, or long-term schedules.

The Brazil Effect

On the heels of rising diplomatic friction with Brazil, the Trump Administration implemented the 50 percent tariff on copper, **citing national security concerns**. While this action follows a Section 232 investigation, it is increasingly clear that broader **geopolitical tensions with Brazil** — a major global copper producer — played a role in the decision.

President [Trump's tariff letter to Brazil](#) referenced grievances with the Brazilian judiciary's treatment of former President Jair Bolsonaro and concerns about censorship of U.S.-based tech platforms. In addition, the Administration warned that any country aligning with the "anti-American policies of BRICS" (Brazil, Russia, India, China, South Africa, etc.) would face heightened trade penalties. This political backdrop adds volatility to an already fragile copper supply chain.

Why Brazil Matters: Brazil is one of the top 10 copper-producing countries in the world. While the U.S. imports most of its refined copper from countries like Chile and Canada, Brazil contributes significantly to the **global copper supply**.

Canada Tariffs Increased to 35 percent on Non-USMCA Goods

On July 10, President Trump [sent a letter](#) to Canadian Prime Minister Mark Carney announcing he will impose on Canada, a major trading partner and supplier of electrical components, **a 35 percent tariff on non-USMCA certified goods**, up from the current 25 percent. Energy products from Canada remain exempt, but many Canadian-made products — such as panelboards, fixtures, lighting, and specialized controls — could see significant price increases if not properly documented under USMCA.

Impact: Contractors who rely on Canadian goods should expect tighter scrutiny and rising prices from suppliers. Even a small lapse in documentation could mean an extra 35 percent cost on imported components.

30 percent Tariff Letter to Mexico

On July 12, President Trump [sent a formal letter](#) to Mexican President Claudia Sheinbaum, announcing **a 30 percent tariff on Mexican imports** beginning August 1. While Mexico was praised for aid on border security and fentanyl reduction, this action reflects frustration over insufficient efforts and a broader push to recalibrate trade imbalances.

EU Receives Formal Tariff Notice from President Trump

On July 10, the European Union joined the list of countries receiving a [formal tariff letter](#) from **President Trump**, signaling U.S. intent **to raise tariffs by 30 percent on EU exports**. The letter cited long-standing grievances over EU regulatory barriers and agricultural tariffs and warned of retaliatory action if the U.S. is targeted in return.

Impact: Although the specific tariff rate for EU imports has not yet been confirmed, the notice alone will likely disrupt procurement plans and contract pricing for many NECA contractors. The EU is a major source of high-quality electrical products, tools, sensors, and specialized control systems.

This move significantly raises the risk of **a full U.S.-EU trade conflict** — which could further complicate pricing, delay materials, and result in retaliatory tariffs on U.S. goods exported to Europe.

Global Tariffs Shift – 21 Countries Affected

New “reciprocal” tariff rates ranging from **20 percent to 40 percent** have been announced for 21 countries, effective August 1. Affected nations include several that supply vital electrical products and construction materials:

- **South Korea, Japan, Thailand, Malaysia, Philippines, Indonesia** – All major exporters of electronics, lighting, wiring devices, and semiconductors.
- **Brazil** – Subject to a separate 50 percent tariff, linked to geopolitical tensions.
- **Vietnam** – While exempt from this round, remains under separate scrutiny and still faces a 20 percent tariff.

Impact: These new tariffs will increase costs and strain already fragile global supply chains. Electrical contractors may face longer lead times, sudden material shortages, and unanticipated budget overruns — especially for imported gear, solar components, switchgear, and tools.

What NECA Contractors Can Do Now

In light of this disruptive policy shift, NECA strongly encourages all members to take the following actions:

1. Assess Your Supply Chain Immediately

- **Contact key vendors and suppliers** to determine whether their products are impacted by the new tariffs.
- Ask for **detailed origin certifications and USMCA compliance documentation**, especially for products from Canada and Mexico.
- Begin identifying **alternative sources** for at-risk materials and products.

2. Review Your Contracts and Escalation Clauses

- Carefully review **existing construction contracts**, subcontracts, and proposals to understand how they treat unexpected increases in material prices.
- For future bids, ensure you include **price escalation clauses** and **flexibility for tariff-related cost adjustments** where possible.
- Be sure to [take advantage](#) of NECA's partnership with [Document Crunch](#), one of our trusted Industry Alliance Network members and an Ambassador Sponsor, as they are offering NECA members exclusive, **FREE** access to their AI-powered **Tariff Risk Assessment Tool**, designed specifically for the construction industry.
- NECA's partnership with [ConsensusDocs](#) gives contractors access to fair, contractor-led contracts that help manage risk from rising tariffs and material price volatility. With built-in **price escalation clauses** and **supply chain protections**, these documents offer a smart way to protect your bottom line in uncertain markets. NECA members receive **exclusive access and discounts**—a valuable tool as copper, steel, and other critical materials face ongoing tariff pressures.

3. Secure Critical Materials Early

- If feasible, **accelerate procurement and deliveries** before the August 1 implementation date to avoid exposure to the new tariffs.
- For long-lead items (e.g., transformers, switchgear), engage vendors now to lock in pricing or arrange domestic alternatives.

4. Engage in Advocacy – Your Voice Matters

- NECA's Government Affairs team is actively working with the White House, Congress, and federal agencies to express our industry's concerns and seek relief.
- [Share your real-world examples](#) of how these tariffs are impacting your business — cost spikes, delays, cancellations — to help us strengthen our advocacy.

5. Stay Informed with NECA

- NECA will be providing **ongoing updates, resources, and member briefings** as the situation evolves.
- Watch for upcoming webinars and policy alerts and ensure your project managers and estimators are informed about these developments.

This tariff wave represents the most significant challenge to electrical construction pricing and planning since the early days of the U.S.-China trade war. The NECA team is fully engaged in Washington to push back against these actions and defend your ability to plan, build, and grow.

NECA is actively engaging with senior White House officials, USTR representatives, and congressional leaders on both sides of the aisle. We are emphasizing the real-world impact this tariff would have on electrical contractors — especially small and mid-sized firms — and how it risks undermining ongoing infrastructure, energy, and semiconductor projects funded through the bipartisan infrastructure law, CHIPS Act, and Inflation Reduction Act.

For questions, or to share your concerns, please contact NECA Government Affairs at govaffairs@necanet.org.

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