



TRADE & INDUSTRIAL POLICY STRATEGIES

TIPS
TRACKER



Tracking quarterly trends and analysing foreign direct investment, imports and exports

TIPS TRACKER

US TRADE NEGOTIATIONS

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SEPTEMBER 2025

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The TIPS tracker on US trade negotiations summarises key trends in outcomes and the US posture. It will be updated briefly every quarter, with the first update in January 2026 unless major developments warrant an earlier issue.

KEY FINDINGS

- The US does not have capacity to engage with most countries affected by its new tariffs. As a result, those countries face at least a 10% tariff or an arbitrarily higher level (usually 15%) with virtually no way to achieve change in the short run. Actual engagements are heavily biased toward high-income countries. These countries have obtained a reduction in tariffs compared to the April announcement, while the average rate has increased for other countries.
- Overall, US tariffs as of early September were significantly higher for middle-income countries than for high-income economies. The US has failed to reach agreement with key regional powers in the global South, and has imposed additional punitive tariffs on China, India and Brazil.
- Key trade-offs have emerged around auto and agricultural goods. Most of the countries involved in negotiations with the US have sought to protect auto exports by agreeing to reduce tariffs on all industrial goods and some agricultural products. The US is also increasingly demanding that countries open up their services sectors, including finance and digital services, as well as accepting US standards and fast-tracking customs procedures.
- Commitments to large-scale investment, mostly in the form of credits and credit guarantees, have increasingly become a sweetener from high-income countries. Many countries have also committed to expanded purchases of Boeings, agricultural goods, oil and defence equipment. How these commitments will be monitored and implemented remains unclear.
- Only three of the 10 agreements have been released as a written document; the rest have only been announced on Trump's social media, with some also mentioned in subsequent executive orders. The lack of detail has led to substantive disagreements on several critical issues.

CONTENTS

1. Aims.....	4
2. Trends in tariff rates.....	4
3. Trends in US engagements on trade.....	7
3.1. Outcomes of engagements.....	8
4. Process and mandates	11
5. Summary of major agreements and disagreements	12
5.1. UK.....	12
5.2. Japan	13
5.3. Vietnam	13
5.4. Indonesia	14
5.5. Philippines	15
5.6. South Korea	15
5.7. EU	16
5.8. China.....	17
5.9. Mexico	18
5.10. Canada.....	19
5.11. India.....	20
5.12. Brazil.....	20

GRAPHS AND FIGURES

Graph 1. Baseline tariffs announced in April and imposed in September, including punitive tariffs on Brazil, China and India.....	5
Graph 2. Average baseline tariffs by income class (weighted by population), including punitive tariffs on Brazil, China and India.....	6
Graph 3. Share in US imports of countries with extensive engagement with the US and other countries, 2024.....	7
Graph 4. Average tariff (a) imposed on countries with and without an agreement with the US, and share in the population of each group living in high-income countries	9
Graph 5. Trade in auto between US and countries with agreements in 2024.....	10
Figure 1. Heatmap of outcomes of US trade engagements, April-September 2025.....	8

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1. AIMS

Since the Trump administration came to power, the US has sought fundamental changes in the international tariff regime. To that end, in April it announced both a much higher base rate for all US imports and extraordinarily high and arbitrary “reciprocal” tariffs on countries with which it ran a deficit. Its trade negotiations since then have been chaotic and fast changing. To enable more consistent understanding of the results and modalities of these negotiations, this Tracker summarises all of the tariffs and agreements reached, as well as some major disagreements, in both quantitative and qualitative terms.

The first section analyses the changes in tariff levels from the initial announcement in April to the actual implementation in September. The second section outlines key outcomes. The final part summarises the major agreements reached, as well as engagements that have been markedly unproductive, notably with China, India and Brazil.

2. TRENDS IN TARIFF RATES

Five major changes affected US tariffs from April to September 2025.

- The implementation of new tariff rates in September reduced two thirds of the so-called “reciprocal” rates announced in April for countries with trade surpluses with the US, mostly to 15%. The baseline 10% rate on other countries remained unchanged.
- As noted, the US imposed highly punitive rates on China, Brazil and India.
- The US agreed to abide by the terms of the Canada-US-Mexico Agreement (CUSMA), formerly NAFTA and known in the US as the USMCA and in Mexico as T-Mex. That vastly reduced the disruptions to trade within North America.
- The US imposed 50% tariffs on imports of steel and steel products, aluminium and copper, and 25% for autos. The tariffs apply to the metal content of machinery and equipment.
- The US ended an exemption on tariffs for individual parcels sent to the US, which effectively ends the business model developed especially by major e-commerce platforms, notably Shein and Temu, and by overseas suppliers to US platforms led by Amazon and Etsy.

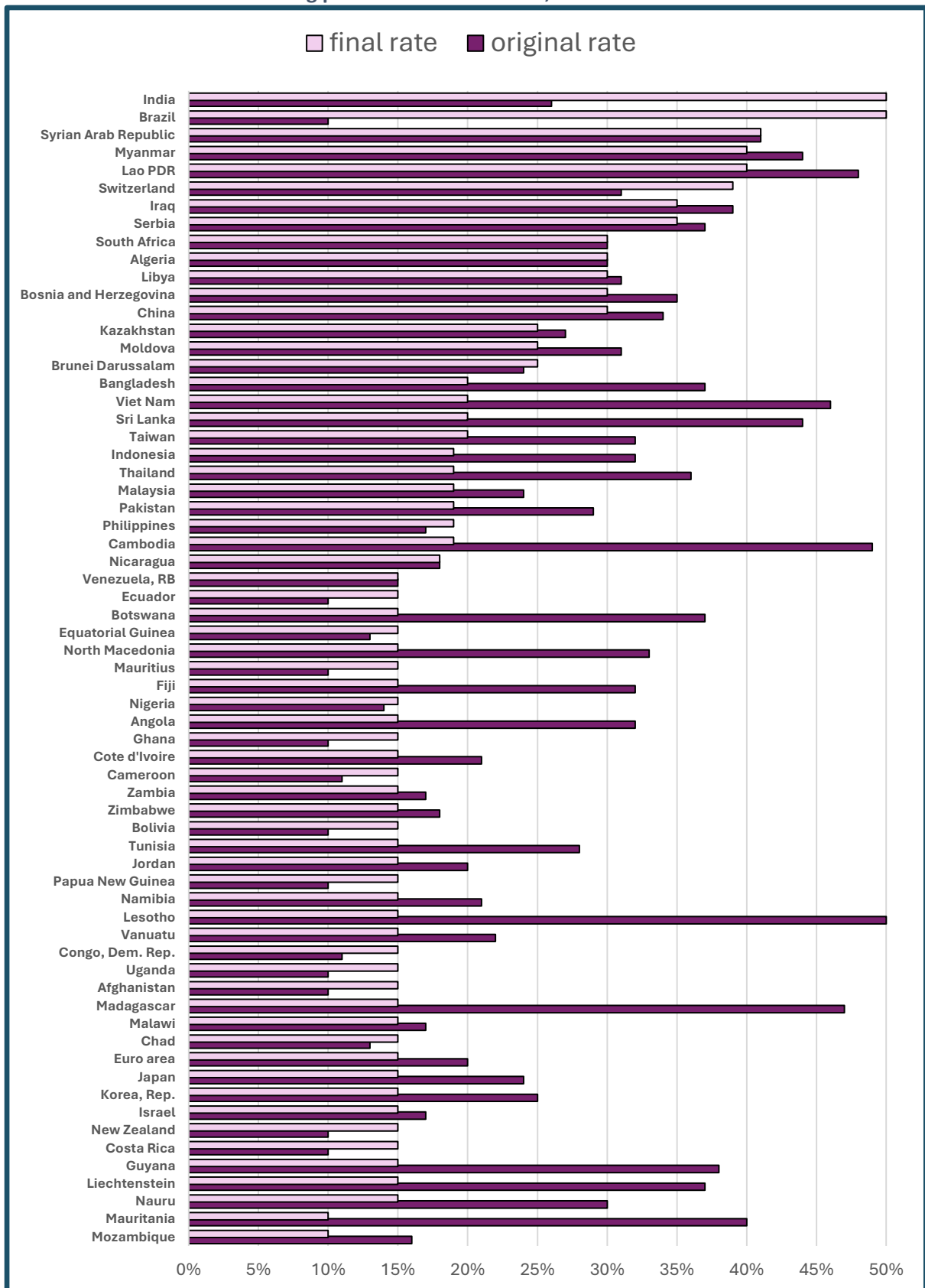
On 31 July, the US announced final tariff rates for 183 countries, with implementation from 7 August. The analysis here excludes Mexico and Canada, because the actual rate charged is affected heavily by CUSMA. It includes the penalties levied on China, India and Brazil.

Sixty-two countries, or a third of the total, were hit with tariffs above the baseline of 10%, up from 55 countries in the initial proposal in April. The number tariffed at 10% fell from 126 to 119. Of the remaining countries, 42 saw a decline, with 36 of them pegged at 15%. For 20 countries, tariffs were increased. As in the original announcement, a range of products, mostly raw materials and pharmaceuticals, are exempt from these sweeping tariffs. In the case of mining products, only ores are exempt, and not base metals.

Graph 1 shows the change for every country that initially faced a tariff over 10%.

The new tariffs reflect an extraordinary bias toward high-income countries. Their average tariff rate, weighted by population, was slightly below 13% in September. In contrast, largely because of the punitive tariffs imposed on major regional powers in the global South, lower-income countries face higher rates. For upper-middle-income countries, the average in September was 26%; it was over 30% for lower-middle-income economies, and just over 13% for low-income countries. (Graph 2)

Graph 1. Baseline tariffs announced in April and imposed in September, including punitive tariffs on Brazil, China and India



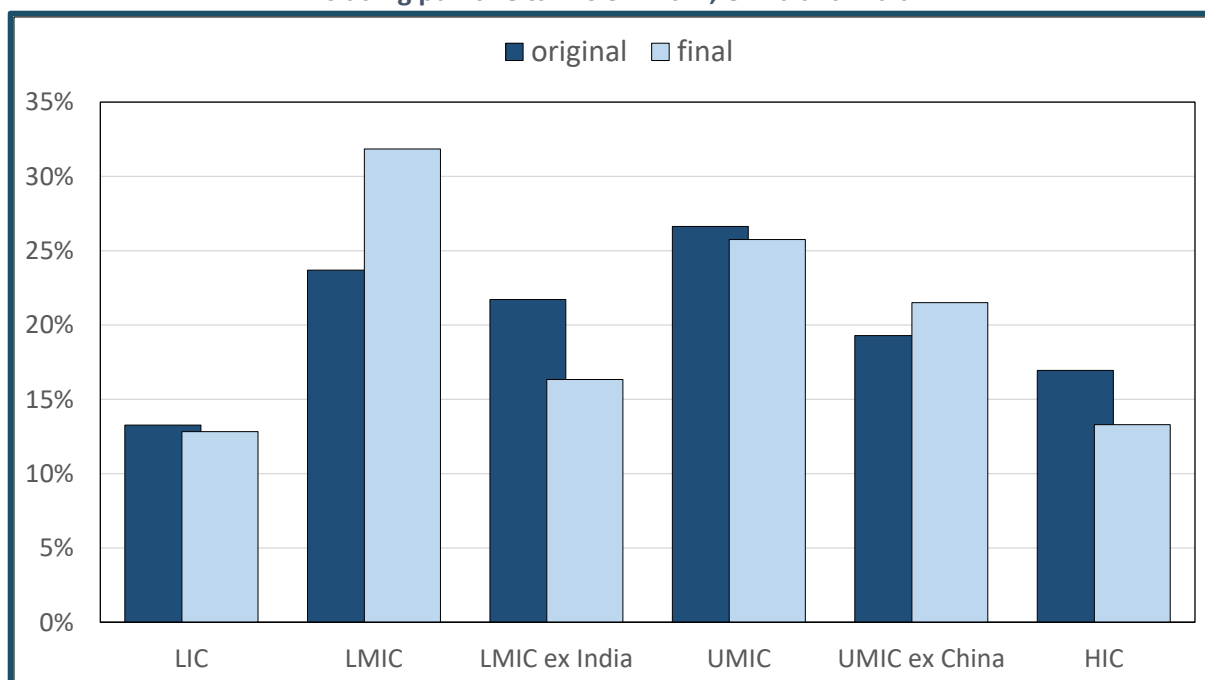
Source: USG. Executive Order 14257 of April 2, 2025 and Executive Order 14326 of July 31, 2025.

The punitive tariffs on China, India and Brazil raised their baseline tariffs on exports to the US to extraordinary levels. For China, the additional tariff, at 20%, was officially linked to exports of fentanyl precursors. The move raised US tariffs on China from a baseline of 10% to a total of 30%. Other product-specific tariffs, including for auto and the pre-existing most favoured nation (MFN) rates, are stacked on top of this rate. Brazil also had a 10% baseline, but the US added 40% on top of it for allegedly suppressing human rights by prosecuting the former President for a coup attempt and for tightening regulation of US social media platforms. Similarly, the baseline rate for India, at 25%, was increased to 50%, purportedly because of Indian purchases of Russian oil following the invasion of Ukraine. China and Türkiye, which together buy more than twice as much Russian oil as India, were not similarly sanctioned.

The effective tariff rate on Mexico and Canada is hard to estimate, but is likely at or below 10%. In September, the US set its baseline tariff at 25% for Mexico and 35% for Canada. Soon thereafter, however, it excluded products covered by CUSMA. CUSMA eligibility depends on meeting regulatory requirements with respect to CUSMA’s rules of origin. In September, 85% of Mexican and Canadian exports to the US were covered by CUSMA. In Canada, only 40% of exports adhered to the CUSMA reporting requirements before the US imposed tariffs, but the share has climbed rapidly in the past six months.

In addition to the baseline tariffs, the US set product-specific tariffs on auto, steel, copper and aluminium, and has initiated investigations into pharmaceuticals. The tariffs are 25% on auto and 50% on the metals. Recently the US announced that machinery and appliances incorporating the metals will be tariffed on the share of metals in the product. Thus, if 10% of the cost of an appliance comes from steel, it would pay the baseline tariff plus 5% for the steel content. According to German machinery producers, this measure raises the effective rate on their exports to the US from the agreed-on 15% to 22%.

Graph 2. Average baseline tariffs by income class (weighted by population), including punitive tariffs on Brazil, China and India



Source: USG. Executive Order 14257 of April 2, 2025 and Executive Order 14326 of July 31, 2025. Population data from World Bank. World Development Indicators.

Finally, on 29 August 2025, the US ended the tariff exemption for individual parcels valued at under US\$800. The number of parcels imported directly by US households and businesses under this provision, which is known as the “de minimus” exemption, climbed from 134 million in 2015 to 1.36 billion in 2024. Major e-commerce platforms, notably Shein and Temu but also Amazon and Etsy, have relied heavily on the de minimus exemption to hold down their prices on consumer products such as clothing, household goods and toys. In response, they are expanding their warehouses in the US as well as increasing prices.

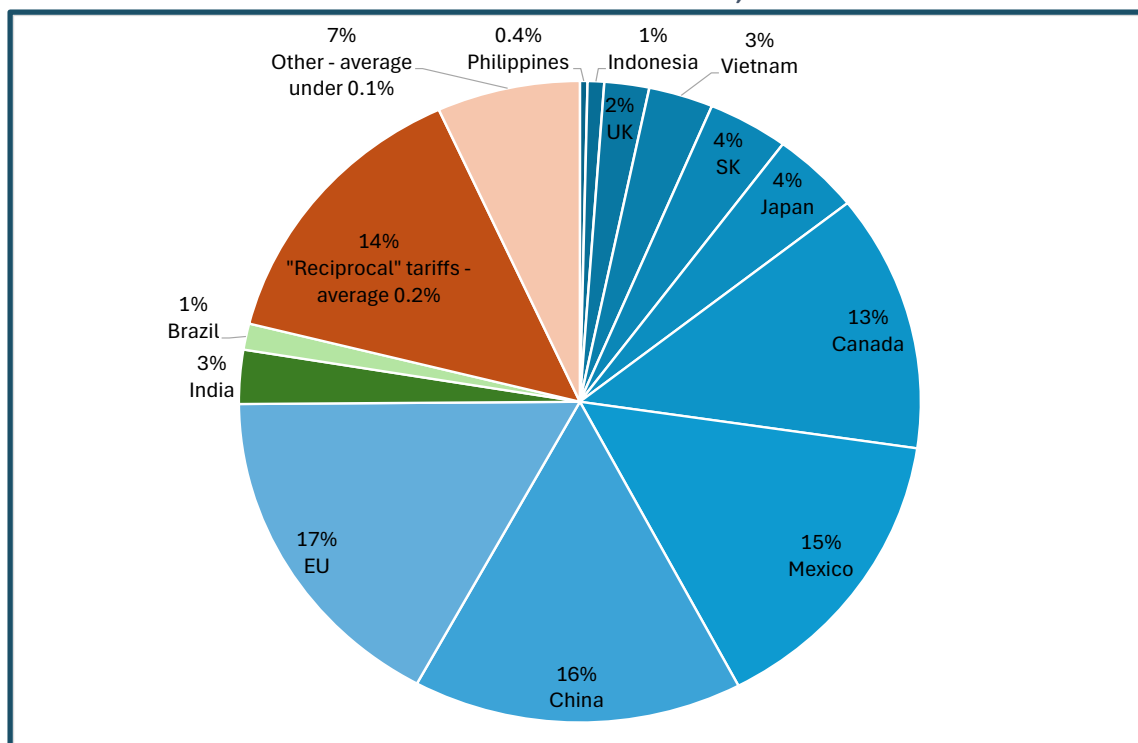
3. TRENDS IN US ENGAGEMENTS ON TRADE

The US expected that the high rates announced in April would force its trading partners into negotiations, in which they would make substantial concessions to bring down the announced rates. In practice, the US itself clearly did not have capacity to engage effectively with all of the countries affected, or even with those who faced so-called “reciprocal” tariffs above 10%. As of September, it had only reached framework agreements with the EU and six other countries, although it had engaged extensively with China and to a lesser extent Brazil and India.

The countries that were able to reach agreements or sustain on-going engagements with the US together account for around 75% of US imports, or an average of 7% each. Only two – the Philippines and Indonesia – provided less than 2% of US imports; four supplied well over 10% each. The remaining economies tariffed at higher rates accounted for an average of 0.4% of US imports each. (Graph 3) In short, smaller economies were largely shut out of the process of negotiating new rates.

This section first reviews the main substantive outcomes of the US trade engagements, and then the US methodology in these processes.

Graph 3. Share in US imports of countries with extensive engagement with the US and other countries, 2024



Source: Calculated from ITC. TradeMap. Interactive dataset. Accessed at www.trademap.org in September 2025.

3.1. Outcomes of engagements

The US engaged intensively with 11 countries and the EU. It reached some kind of agreement with 10 partners, but none with India and Brazil. A formal joint publication was, however, issued for only three agreements, with the rest announced through Trump social media and the press. Figure 1 summarises key outcomes in a heatmap, with the agreements ordered by date. Darker colours indicate stronger concessions. Details of the agreements are provided in Section 5.

Figure 1. Heatmap of outcomes of US trade engagements, April-September 2025

	Date	Published agreement	Baseline tariff on partner	Product-specific tariffs apply	Zero tariff on US	Investments	Purchases of US products	Ending NTBs
Canada	6 March	No	0% (CUSMA)	Yes	Yes	No	No	No
UK	8 May	Yes	10%	Partially	Yes	No	Yes	No
China	12 May	Yes	30%	Yes	No	No	No	No
Vietnam	2 July	No	20%	Yes	Yes	No	Yes	No
Philippines	22 July	No	19%	Yes	Yes	No	No	No
Indonesia	22 July	Yes	19%	Yes	Yes	No	Yes	Yes
Japan	22 July	No	15%	Partially	Yes	Yes	Yes	Some
SK	30 July	No	15%	Yes	No	Yes	Yes	No
Mexico	31 July	No	0% (CUSMA)	Yes	Yes	No	No	Yes
EU	21 Aug	No	15%	Partially	No	Yes	Yes	Some

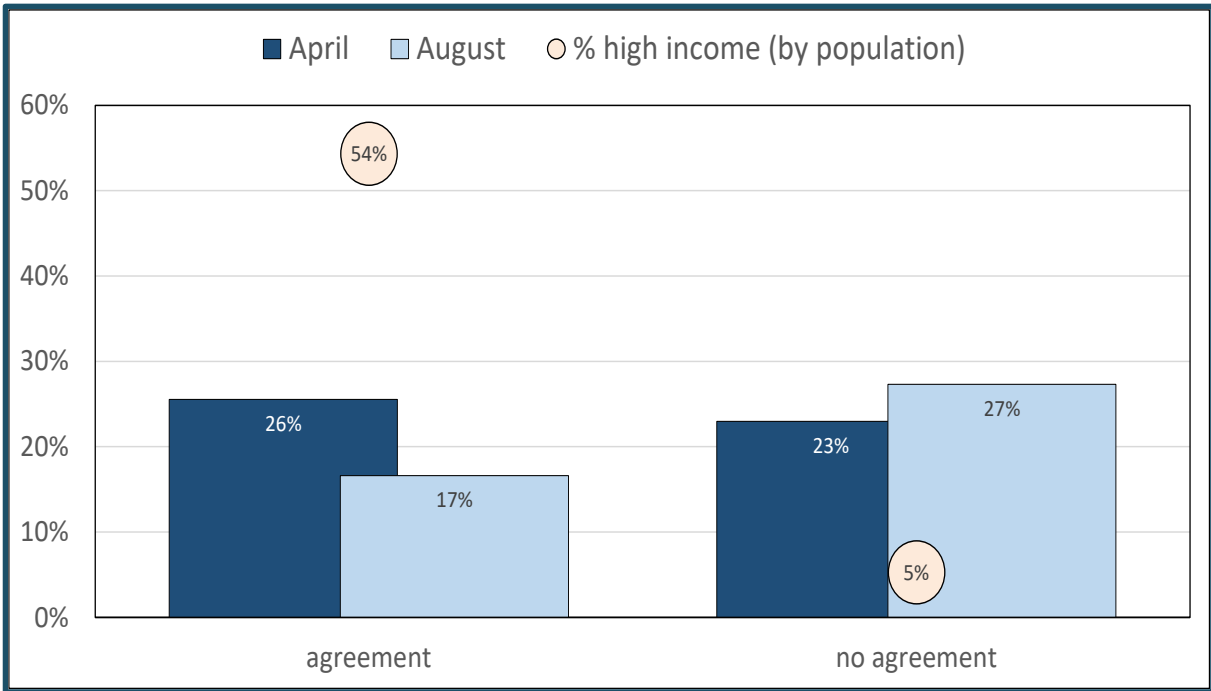
Source: Author from media reports, other published analyses, and USG executive orders.

As the heatmap shows, in virtually every agreement the trading parties were left worse off than before the Trump Administration, with baseline rates ranging from 10% to 30% except for Canada and Mexico, which still benefited from CUSMA. Still, all of the agreements provided some relief from the initial rates threatened in April. In effect, the April announcement set a new baseline, with a minimum level outside of CUSMA of 10% to 15%.

The agreement to exempt goods covered by CUSMA is an extraordinarily important concession that effectively negated the threat to maintain tariffs at 25% on Mexico and increase them to 35% for Canada. CUSMA is, however, scheduled for renegotiation in 2026, which may again lead to significant changes in tariff rates in North America.

As Graph 4 shows, countries with agreements achieved lower tariff rates than other countries faced with “reciprocal” and punitive tariffs. Their average baseline tariff rate fell from the announced 26% in April to 17% implemented in August. In contrast, for countries without any agreement, it rose from 23% to 27%. By population, over half of the countries with agreements were high income, compared to 5% in countries that did not have any kind of agreement.

Graph 4. Average tariff (a) imposed on countries with and without an agreement with the US, and share in the population of each group living in high-income countries



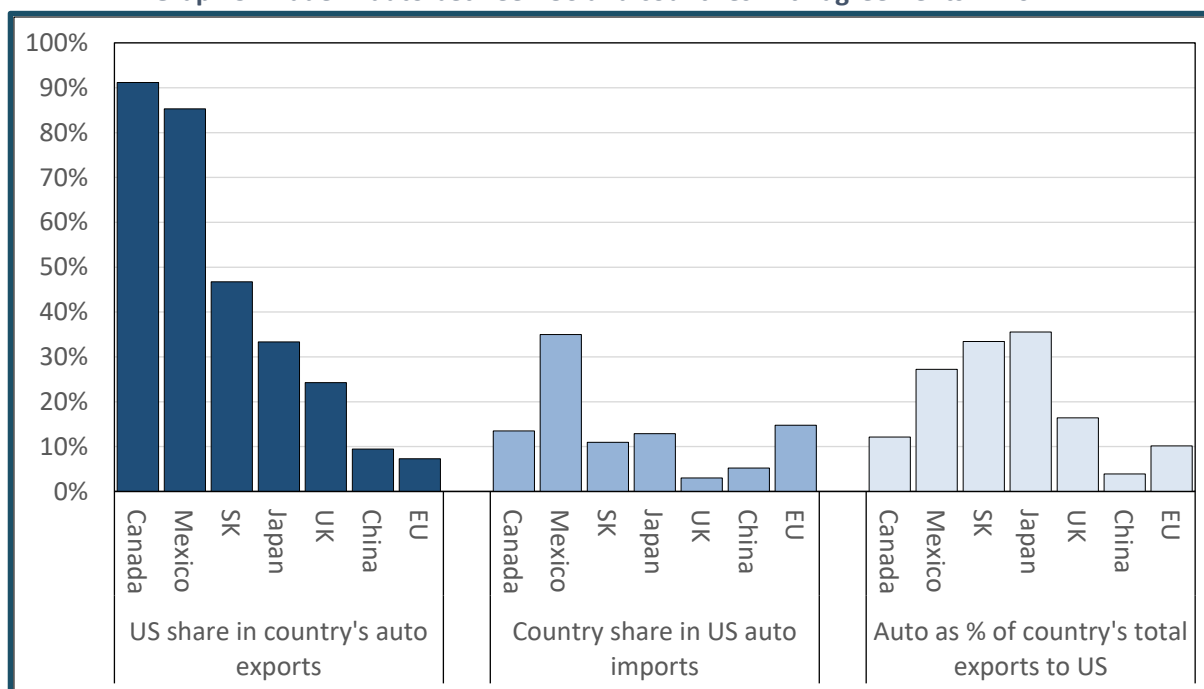
Note: (a) Weighted by population. Source: USG. Executive Order 14257 of April 2, 2025 and Executive Order 14326 of July 31, 2025. Population data from World Bank. World Development Indicators.

Most of the US trading partners made significant concessions to mitigate the initial threat. Increasingly these commitments were not related to trade in goods. It was not clear, however, if and how these concessions would be monitored and enforced. The agreements were all in the form of frameworks requiring additional negotiation on crucial elements.

The auto industry apparently played an outsized role in the negotiations, although it accounts for only around 11% of US imports. That said, it contributed around 20% of the US deficit in goods trade, around the same as electronics and pharmaceuticals.

The countries that reached agreements collectively supply 95% of US auto imports. (Graph 5) For the high-income countries involved, the main aim was typically to avoid high tariffs on auto by providing concessions on other industrial goods and to a lesser extent agriculture. Most agreed to zero tariffs on industrial imports, down from less than 10% in most cases. Some also agreed to increase quotas on US agricultural imports. These are obviously very difficult trade-offs that require managing conflicting domestic interests as well as the impact on long-term growth strategies.

Graph 5. Trade in auto between US and countries with agreements in 2024



Source: Calculated from ITC. TradeMap. Interactive dataset. Accessed at www.trademap.org in September 2025.

Most of the countries that reached agreements included some sweeteners, with the extent tending to increase over time. Increasingly, the agreements included commitments to fund investment and to purchase specified amounts of major US goods, notably Boeings, agricultural products, liquid fuels (including liquid natural gas) and defence equipment. There are, however, no established institutions to decide on projects or monitor progress on these commitments. Experience to date shows that actual outcomes often fall far short of the original intentions. The countries that committed to investment argued that the amounts involved reflected current projections by the main companies involved, rather than entirely new sums. In contrast, many observers have labelled the EU agreement to buy US\$750 billion in fossil fuels over the next three years as unrealistic. Furthermore, Japan alone committed to procuring 100 Boeing jets. This is a very large order – in the first half of 2025, Boeing’s total orders were 700 jets, and it was already unable to meet most of its delivery deadlines.

Demands that countries relax non-trade barriers also seem to have expanded over time. The main concessions made in this regard relate to:

- Watering down national rules that effectively limit US companies’ access to services industries, including finance and digital services; and
- Accepting US standards for products and reducing both the paperwork and inspections required to clear customs.

The Philippines and Indonesia are unusual cases, as the only relatively small middle-income economies that managed to reach agreements. In part, they seem to have benefited from their strategic position in Asia. This was particularly true for the Philippines, for which virtually no detail is available on the purported agreement with the US. Indonesia agreed to end export taxes on unprocessed minerals, which undermines a pillar of its industrial policy over the past few years.

The agreements are often unclear about specific exemptions and rates, especially in light of the range of product-specific tariffs introduced unilaterally by the US. Virtually all commit to further negotiation,

mostly to reduce non-tariff barriers and finalise purchases of US imports as well as to specify specific product lines.

In short, except for the Philippines and Indonesia, the US has concluded agreements only with high-income countries. Its demands as a precondition for moderating its initial April claims have increasingly included highly transactional commitments around investment and purchases as well as reducing trade barriers for both goods and services. Even then, the agreed-on tariffs are a multiplier of the tariffs that applied in 2024.

4. PROCESS AND MANDATES

The US appears to have shaped the negotiations process to let Trump visibly exercise his personal power as much as to reshape the global trade order. Every deal has been subject to his personal approval. That has led to extraordinary last-minute changes. For instance, after months of Ministerial negotiations Vietnam expected a baseline tariff of 11%, only to find that Trump had announced a 20% rate on his social media overnight, the day before the agreement was finalised. Similarly, after months of negotiations India expected a 15% baseline tariff. Instead it got 25% baseline plus 25% punitive, for a total of 50%.

A similar set of issues emerged around the Japanese commitment to US\$550 billion in financing for new investments in the US. The Japanese said they would provide credits and loans through a public financial institutions, the Japanese Bank for International Cooperation. Trump announced that he would personally choose the projects and that the US would get 90% of the returns. The compromise is apparently that a joint US-Japanese panel chaired by the US (but almost certainly dependent on analysis by the Japanese side) will “short list” projects for Trump’s final decisions, and that the US will retain all profits after the Japanese credits are paid off. In addition, the projects will favour imports from Japan. These concession seem designed to give the Japanese an effective veto as well as normal returns for financial investment, while Trump gets the illusion of complete control.

In addition, the US aims in trade engagements are highly diverse and changeable. They include the visible use of economic power to achieve some combination of trade, geo-political and narrowly partisan aims; increasing revenue from tariffs to offset the large cuts to the US income tax enacted in early 2025; supporting growth in manufacturing in the US; expanding markets for US farmers and oil producers; and continuing to obtain cheap raw materials while discouraging competition in refining them.

The US motives are also obscured by arbitrary anger at regional powers in the global South. The treatment of Brazil, India and China cannot be considered practical or reasonable from either a geopolitical or economic perspective.

Finally, the lack of detailed written agreements has led to considerable contestation over the commitments involved, as noted in the case of Japanese investment commitments. Repeated changes in US tariffs on individual products has further muddied the water. For instance, the EU acceptance of tariffs on steel has now extended to in part to machinery and appliances, as noted above, causing considerable anger in Germany in particular.

5. SUMMARY OF MAJOR AGREEMENTS AND DISAGREEMENTS

This section summarises the US's trade agreements announced from April to September 2025, as well as the conflict with India and Brazil.

5.1. UK

US Tariffs on UK:

- Baseline tariff: 10% including for auto up to 100 000 units (UK exported 102 000 units in 2024).
- Steel and aluminium will be at global rates (25%) until an agreement on quotas is reached. The agreement will require UK accedes to US requirements on security of supply, including ownership in steel (a Chinese company owns British Steel, but was liquidating it until the UK government took over its operations in early 2025; negotiations on sale to government are deadlocked). As noted, the steel rates now extend to steel incorporated in machinery and appliances, meaning the rate on those products will also increase.
- UK quota on beef exports to the US will increase to 13 000 tonnes (actual exports were 3000 tonnes in 2024); the main effect will be to reduce the quota for Brazilian beef, which is usually more competitive.

Key concessions:

- Beef and ethanol tariffs reduced from around 20% to 0%, with the duty-free beef quota increased from 1000 to 13 000 tonnes (actual imports were under 500 tonnes in 2024) and ethanol to 1.3 bn litres (imports were under 200 mn litres a year from 2022 to 2024). Agricultural associations argue that UK bioethanol, mostly a wheat byproduct, will likely largely shut down as a result.
- UK to purchase Boeing planes and improve the environment for US pharma companies, but no specifics given in either case.
- No commitments on investment.

Form:

- Document published on 8 May 2025 but explicitly not legally binding.
- US Executive Order issued on 16 June 2025 specified baseline tariffs for auto, related components, and aerospace equipment, and empowered the US Secretary of Commerce to reduce tariffs on steel and aluminium if agreement is reached.

Export profile:

- US accounts for 14% of UK exports; UK accounts for 3% of US imports.
- Dominated by machinery and auto (a third of total UK exports to the US), followed by pharma (a tenth).
- UK exports equalled 32% of its GDP in 2023.

Comments:

- Baseline is the same as the US global baseline.
- Commitments to work together on various other issues, notably food safety and other standards and digital trade (including finance), which would bring a real change in UK regulations if actually implemented.
- Beef quotas seem to benefit UK more than US, but ethanol quotas will likely mean major losses for UK producers.

5.2. Japan

US Tariffs on Japan:

- Baseline tariff: 15% including for auto (April “reciprocal” proposal: 24%).
- Executive Order provides for “separate sector-specific treatment” at discretion of US for auto; aerospace products; generic pharmaceuticals; and natural resources not produced in the US.

Key concessions:

- Japan committed to a maximum of US\$550 billion in new credits and guarantees from public financial agencies, but no time frame was given (currently Japanese FDI in the US totals US\$830 bn). A US-Japanese panel is being formed to consult on investment projects.
- Japan committed to working to open its market to US rice; buy US\$8 billion in agricultural goods; end extra safety tests required for US autos; and buy 100 more Boeings and defence equipment.

Form:

- Only verbal announcements on 22 July 2025.
- US Executive Order published on 4 September 2025.

Export profile:

- US accounts for 20% of Japanese exports; Japan accounts for 4% of US imports.
- Dominated by auto (a third of total Japanese exports to the US), followed by machinery (a quarter) and electronics (a tenth).
- Japanese exports equalled 22% of its GDP in 2023.

Comments

- Executive order explicitly points to investment commitment as the main gain for the US, but the details remain vague, including time lines, and control over the decisions on projects and profits are contested.
 - Japan says that (a) US\$550 billion is the maximum amount already available through loans and guarantees from public finance institutions; and (b) the Japanese Bank for International Cooperation will decide on projects.
 - The US Executive Order says the US Government will decide through a dedicated investment vehicle, despite Japanese statements to the contrary from the start. It is not clear what will happen if investment projects are contested or do not materialise.
 - An agreement leaked to the Financial Times says that the joint panel, chaired by the US Secretary for Commerce, will send a short list for approval by Trump, but the projects will favour imports from Japan. Presumably the Bank will develop the shortlist.
- The Boeing order is extraordinarily large – the company had a total of 699 orders in the first half of 2025 – and industry sources say the company likely cannot deliver on time.
- US has set a lower tariff rate on Japan without tangible progress in any other area, in return for a fairly vague but large commitment on loans and guarantees for new investment.

5.3. Vietnam

US Tariffs on Vietnam:

- Baseline tariff: 20% (original “reciprocal” proposal: 46%).
- 40% on “transhipped goods” – US has not said what it considers “transhipped”; Vietnamese rules of origin require 30% local value added.

Key concessions:

- Outside of the agreement, Vietnam agreed to buy planes worth US\$300 million from Boeing; fast-tracked US\$1.5 billion golf course belonging to Trump; approved Starlink without requiring local participation, despite own rules; and is considering buying F-16 fighter jets.

Form:

- Published on Trump social media on 2 July 2025.
- Formal statement promised but not yet published, apparently due fundamental disagreements about level of tariffs.

Export profile:

- US bought 27% of Vietnamese exports in 2023; Vietnam supplied 4% of US imports.
- Dominated by electronics (over a third of total Vietnamese exports to the US), followed by household furnishings, clothing and footwear (almost a third) and machinery and equipment (a tenth).
- Exports equalled 86% of Vietnam's GDP in 2023.

Comments:

- Apparently ministerial level agreement was an 11% baseline tariff, which Trump unilaterally switched to 20% in his own announcement.
- There is no published statement at all from Vietnam, but it has apparently agreed in principle to cut tariffs to zero on most US goods and to address some non-tariff barriers. It also hopes to get some exceptions from the 20% baseline tariff, but not clear on what goods.
- Vietnam apparently also initially expected "transhipped" to be defined as fully produced in a third country, i.e. just changing the packaging and labels in Vietnam, but not clear where the negotiations are now.

5.4. Indonesia

US Tariffs on Indonesia:

- Baseline tariff: 19% (original "reciprocal" tariff: 32%).
- 40% tariff on transhipped goods, with a commitment to start negotiations on rules of origin.

Key concessions:

- Zero Indonesian tariffs on 99% of imports from US.
- End export restrictions on critical minerals and other industrial commodities.
- Eliminate barriers to foreign provision of services, digital trade and investment.
- Exempt US companies from local content requirements; accept US standards including on agriculture, cars, cosmetics and medicines; and limit customs inspections.
- Indonesia will purchase aircraft worth US\$3.2 bn; agricultural products worth US\$ 4.5 bn; and liquid fuels worth US\$15 bn.

Form:

- Joint Statement on Framework for United States-Indonesia Agreement on Reciprocal Trade on 22 July 2025.

Export profile:

- US bought 10% of Indonesian exports in 2024; Indonesia supplied 1% of US imports.

- Dominated by clothing, footwear and furnishings (a third of total Indonesian exports to the US), food products such as oil and fish (a fifth), and electronics (a sixth).
- Exports equalled 22% of Indonesia's GDP in 2023.

Comments:

- Indonesian policy on restricting exports of raw materials was central to the country's development strategy. It appears to have entirely relinquished this approach at least for exports to the US.
- This is the first agreement to also require an end to restrictions on trade in services, including local procurement, in part by requiring accession to voluntary World Trade Organization (WTO) convention.
- More broadly, Indonesia seems to have agreed to entirely deregulate trade between itself and the US, including accepting US health and safety standards, customs decisions and licensing.

5.5. Philippines

US Tariffs on Philippines:

- Baseline tariff: 19% (original "reciprocal" proposal: 17%, but then increased to 20%).

Key concessions:

- Ending tariffs on imports from US of cars, pharmaceuticals, wheat and soya.
- Military cooperation, but no details provided.

Form:

- Media announcements on 22 July 2025.

Export profile:

- US bought 17% of Filipino exports in 2024; the Philippines supplied 0.5% of US imports.
- Dominated by electronics (over half of total Filipino exports to the US), food products such as nuts and other horticultural products (an eighth), and machinery and equipment (also an eighth).
- Exports equalled 27% of the Philippines GDP in 2023.

Comments:

- Very little detail available and apparently very little actually agreed on.
- Extent of opening of Philippine market is unclear.
- May be linked to military cooperation, but no details provided on that at all.

5.6. South Korea

US Tariffs on South Korea:

- Baseline tariff: 15% (original "reciprocal" proposal: 25%; South Korea tried hard to get 12.5% apparently to ensure lower than Japan).
- Global tariffs on steel, copper and aluminium at 50%.

Key concessions:

- Trump social media said South Korea would open up imports of agriculture; South Korea Presidential spokesperson said they made no concessions on agriculture, and specifically not on rice or beef.

- Investment of US\$350 billion in US, with US\$150 billion in shipbuilding; South Korea to set up a fund worth a maximum of US\$200 billion for other industries. No timeframes are provided. In 2024 South Korea invested US\$120 in financial instruments and US\$64 billion in fixed assets.
- Purchase of US\$100 billion in liquid fuels. South Korea imported US\$162 billion in liquid fuels in 2024, of which only US\$23 billion from US.

Form:

- Announced on Trump social media on 30 July 2025, followed by media statements by both parties.

Export profile:

- US bought 19% of South Korean exports in 2024; South Korea supplied 4% of US imports.
- Dominated by auto (a third of all South Korean exports to the US), machinery and equipment (a fifth) and electronics (a sixth).
- Exports equalled 44% of the South Korean GDP in 2023.

Comments:

- Key trade-off apparently the scale of investment in return for lower tariffs, but the parties disagree on critical details. Agreement was finalised a day before “reciprocal” tariffs due to come in, with no formal documentation.
- Core disagreements: South Korea says investment will be mostly loans and guarantees managed through policy finance institutions, with US\$350 billion as envelop, but US government wants commitment to FDI; Trump announced South Korea would open up fully to US agriculture and transport equipment, but South Korean spokespeople say that is still under negotiation, and specifically that it will not open up rice or beef.
- South Korea also wants a tariff of 12.5% on cars as that is the actual increase in tariffs on Japan, which had a higher baseline, but US is saying minimum is 15% for all countries.
- South Korea trying to speed up finalisation of details following executive order on Japan on 4 September.

5.7. EU

US Tariffs on EU:

- Baseline tariff: 15% including for auto, replacing MFN if higher (April “reciprocal” proposal: 20%; before agreement, was 27.5% for EU cars due to MFN plus auto at 25%).
- MFN on pharma and semiconductors unless US announces higher tariffs for these products, at which point will go to 15%.
- Work toward quota system instead of tariffs on aluminium and steel, but apparently global tariff of 50% stays in place until then, and extended to steel content of machinery and appliances.

Key concessions:

- No tariff on US industrial exports and general commitment to reduce tariffs and standards for agricultural goods, without any specifics as of early September.
- US\$600 billion in investment in US by 2028.
- Procurement of US\$750 bn in oil and gas products by 2028, US\$40 billion in AI chips, and unspecified amount of defence equipment.

- In principle agreement to relax sustainability requirements for US companies (including the Carbon Border Adjustment Mechanism (CBAM) and deforestation) and end proposals for user fees for US digital companies (intended to combat tax avoidance).

Form:

- Joint statement on 21 August. No formal document as of 5 September, although committed in text to publishing one.
- EU itself says the statement is a political text and not legally binding.

Export profile:

- US bought 8% of EU exports in 2024; the EU supplied 17% of US imports.
- Dominated by pharmaceuticals (a fifth of all EU exports to the US and over half of US pharma imports), machinery and equipment (a sixth) and auto (a tenth).
- Exports, including trade between EU members, equalled 52% of the EU GDP in 2023.

Comments:

- EU effectively agreed to sacrifice agriculture, regulatory standards and taxation on digital services for auto.
- Its own statements argue that it will not accept significant changes in any of these areas – i.e. that these are vague and hollow commitments.
- Claims that in other countries, agreed baseline tariff are in addition to MFN, so a win that replace MFN.
- Procurement and investment claims are not enforceable and fuels commitment likely impossible to achieve (EU fuel imports in total were US\$75 billion in 2024).
- Anger from machinery manufacturers about tariff on steel content in appliances and machinery introduced after agreement was signed.

5.8. China

US Tariffs on China:

- Baseline tariff: 30% (10% plus 20% imposed separately in response to purported fentanyl imports from China) – before agreement was 145%.
- Other product-specific tariffs still apply (metals and appliances, auto, MFN).

Key concessions:

- China to reduce licensing requirements for rare earth metals, which had effectively ended their export in April and May as retaliation for US tariff escalation.
- US to permit greater exports of relatively advanced microchips and software to China.

Form:

- Formal agreement on 12 May 2025 followed by regular high-level meetings with additional details and refinements.
- Agreement formally ends on specified date that US has repeatedly extended, currently to 10 November 2025.

Export profile:

- US bought 23% of Chinese exports in 2024; China supplied 14% of US imports.

- Dominated by light consumer goods including clothing, furnishings and plastics (a quarter of Chinese exports to the US), electronics (also a quarter) and machinery and equipment (almost a fifth).
- Exports equalled 19% of the Chinese GDP in 2023.

Comments:

- Agreement reflected importance for US manufacturing of rare earth metals, which only China currently produces on scale. As a result, when China effectively used licensing requirements to end exports to the US, the US responded by cutting tariffs and providing some relaxation of restrictions on high-tech exports to China.
- The two countries are currently in a situation of mutually assured destruction if they do not manage the conflict, so it is unlikely that the agreement will simply be allowed to lapse despite repeated Trump threats.
- Tariffs on Chinese exports to the US are still historically high, which will likely lead to slower growth there and consequently reduced demand for South African minerals exports.

5.9. Mexico

US tariffs on Mexico:

- Baseline tariff: From 7 March, 25% on goods not covered by Canada-US-Mexico Agreement (CUSMA, known as USMCA in the US and T-MEC in Mexico), which depends on rules of origin. ("Reciprocal" tariff: 25%, and threat of 10% additional tariff delayed by agreement). Around 85% of Mexican exports to the US fall under CUSMA.
- Oil and energy products tariffed at 10%.
- Other product specific tariffs, notably steel, aluminium and auto, also apply.

Key concessions:

- Mexico agreed to eliminate non-tariff barriers on US imports immediately in exchange for the US halting an additional 10% tariff hike for 90 days while they try to reach a larger deal. It is not clear what this commitment will actually entail. The US 2025 publication on non-tariff trade barriers includes services and investment as well as goods.
- Mexico has apparently also said it will act to prevent transshipment from Asia, especially for textiles, footwear and steel.
- Outside of formal trade negotiations, Mexico has accepted large-scale deportations of third party as well as Mexican nationals from the US and taken action to reduce the flow of migrants across its southern border.

Form:

- Announced on Trump social media.

Export profile:

- US bought 81% of Mexican exports in 2024; Mexico supplied 15% of US imports.
- Dominated by auto (a quarter of Mexican exports to the US), electronics (a fifth) and machinery and equipment (also a fifth).
- Exports equalled 36% of the Mexican GDP in 2023.

Comments:

- In mid-2025, around 85% of Mexican exports to the US were still tariff free due to CUSMA.
- Around a quarter of Mexican exports to the US comprised auto and auto components.
- The impact of eliminating the trade barriers listed by the US would be very high, including on efforts to protect local suppliers of goods and services and to ensure localisation of inputs and investment ownership. It is, however, not clear what non-tariff barriers will be affected in practice.
- Mexico has reportedly reduced the (physical) paperwork required for medical and pharmaceutical imports, but it not clear what else is on the table.

5.10. Canada

US tariffs on Canada:

- From 7 March 2025, 25% tariffs on goods outside of CUSMA framework and oil/energy products, with an increase to 35% on 1 August 2025 – CUSMA covers 85% of Canadian exports.
- Oil and energy products tariffed at 10%.
- Other product-specific tariffs, notably steel, aluminium and auto, also apply.

Canadian response:

- Retaliatory tariffs on various goods, imposed on 13 March 2025; removed from most products except auto, steel and aluminium on 1 September 2025.

Status of negotiations:

- Removal of most Canadian retaliatory tariffs on 1 September meant US did not end exemption for CUSMA products.
- CUSMA is up for review in 2026.

Export profile:

- US bought 76% of Canadian exports in 2024; Canada supplied 13% of US imports.
- Dominated by oil (almost a third of Canadian exports to the US), auto (an eighth) and machinery and equipment (7%).
- Exports equalled 33% of the Canadian GDP in 2023.
- Canada was the largest single exporter of aluminium and steel to the US, accounting for 41% of US aluminium imports, 24% for crude steel and 11% for basic steel products. But aluminium made up only 3% of Canadian exports to the US, and steel and steel products a similar share.

Comments:

- The US decision to respect CUSMA means most Canadian exports to the US are not affected by tariffs. CUSMA coverage depends on recognition that Canadian exports meet rules of origin. Around 85% of Canadian exports to the US reportedly comply, but only around 40% had done the paperwork when the tariffs were imposed; the percentage has since risen sharply.
- In the second quarter of 2025, as tariffs came into effect, Canadian exports to the US dropped 13%, resulting in a 7% fall in its total exports.
- Canada says its growth is already slowing due tariffs, but it not clear what further concessions are possible given its own domestic and US politics.
- No visible negotiations currently underway, but CUSMA review provides a platform.

5.11. India

US tariffs on India:

- US tariffs on India were 50% as of early September, reflecting a 25% tariff imposed from 27 August specifically as a penalty for India's large purchases of Russian oil for local refineries and often for re-export, and a 25% "reciprocal" tariff imposed on 7 September.
- The punitive 25% tariff excludes steel, aluminium, passenger vehicles, light trucks, copper products, humanitarian donations, and informational materials like books or films, although these products still face the 25% "reciprocal" rate.

Indian responses:

- India has not published any retaliatory actions, but in the past month it has demonstrated greater willingness to work with China and Russia.

Status of negotiations:

- Before the tariffs were imposed, India and the US had held several negotiations sessions but could not reach agreement.
- India had reportedly offered to cut all tariffs on industrial imports from the US except for cars and alcohol; these products account for 40% of Indian imports from the US. It also agreed to gradually replace tariffs on cars and alcohol with a quota system.
- The remaining sticking point was agricultural imports. Family farms, which could be largely wiped out by commercial agricultural imports from the US, account for around 40% of total Indian employment and form an important part of the Indian electorate.
- India had expected agreement on a 15% tariff for its exports to the US up to the point where the US announced the 25% unilateral "reciprocal" tariff and the additional 25% punitive tariff.

Export profile:

- US bought 18% of Indian exports in 2024; India supplied 2% of US imports.
- Top Indian export to the US is electronics (a seventh of Indian exports to the US), jewellery and pharmaceuticals (each just over a tenth) and machinery and equipment (under a tenth).
- Exports equalled 21% of the Indian GDP in 2023.

Comments:

- The US decision to impose a 25% additional tariff on India for its imports of Russian oil seems both sudden and erratic. India bought 23% of Russian oil exports in 2024, but China bought 38% and Türkiye 13% without facing a similar penalty from the US.
- The media has reported that Trump imposed the higher tariff because India did not welcome or publicly praise his effort to mediate a deal to end the recent war between Pakistan and India.

5.12. Brazil

US tariffs on Brazil:

- 50% baseline rate, which combines 10% global baseline plus 40% punitive tariff specifically linked to the prosecution of the coup attempt by the former Brazilian President Jaire Bolsonaro as well as regulation of US media platforms in Brazil.
- The tariffs took effect on 6 August 2025. Where a product faces a special tariff under section 232 of the US Trade Expansion Act, the additional tariff will not apply.

- The punitive tariffs exempt silicon metal, pig iron, aircraft, alumina and tin ore, wood pulp, precious metals, energy products, and fertilisers. The press has reported that orange juice is also exempt. These products account for over a quarter of Brazilian exports to the US.
- Brazil supplies 17% of coffee imported by the US, but that product is not exempt. Coffee accounted for 5% of Brazilian exports to the US in 2024.
- The US had already doubled the global 25% tariff for Brazilian aluminium and steel in June 2025.

Brazilian responses:

- Brazil has filed a complaint at the WTO, but there is no body competent to hear the case due to the US refusal to approve nominations to the panel. It is also seeking to accelerate trade negotiations with other countries.
- Brazil has established a US\$5.5 billion credit line to support especially small businesses affected by the tariffs.
- It has not announced any retaliatory tariffs.

Status of negotiations:

- Reportedly there have been no substantive negotiations between the US and Brazil since the US first threatened “reciprocal” tariffs.
- As noted, the US has taken a series of punitive actions against Brazil, apparently largely due to its political support for Bolsonaro.

Export profile:

- US bought 12% of Brazilian exports in 2024; Brazil supplied 1.2% of US imports.
- Oil exports account for a fifth of Brazilian exports to the US, followed by iron and steel (a seventh), machinery and equipment (a tenth) and aircraft (7%).
- Exports equalled 18% of the Brazilian GDP in 2023.
- Brazil has a balance of trade deficit with the US.

Comments:

- As with India and China, it seems the Trump Administration tends to impose particularly punitive tariffs on regional powers in the Global South.