

## U.S. Tariff Updates



#### Summary

- On 2 April 2025, President Trump announced reciprocal tariffs on more than 180 countries including Vietnam.
  - Vietnam was among the most exposed countries with reciprocal tariffs at 46%
- On 9 April 2025, the U.S. put a 90-day pause on reciprocal tariffs, applying the temporary rate of 10% for all countries, except for China
- After several rounds of negotiations, Vietnam, together with China and the UK are among the few countries that
  reached a new trade deal with the U.S. before the 9 July deadline. However, the official deals and the
  effective dates have not been announced yet
  - o In this new trade deal agreement, Vietnam enjoys **20% tariff on all goods of Vietnamese origin**, and 40% tariff on transhipping activities while **the U.S. is granted full access to the Vietnamese market without any tariff.**
  - o Among the Southeast Asian economies, Vietnam has the highest share of exports to the U.S., accounting for c.5% —twice as much as the second-highest exporter, Thailand
  - The current deal is seen as a win for Vietnam, as Vietnam currently enjoys a lower tariffs compared to some top economies in SEA / exporting countries
- On 7 July 2025, 90-day suspension (due to expire 09 July) of additional reciprocal tariff was extended to 01 August pwc.com

#### U.S. tariff timeline as of July 23

President Trump announced reciprocal tariffs on more than 180 countries

2 Apr

46% tariff on Vietnamese exports

The U.S. put a 90-day pause on reciprocal tariffs, applying the rate 10% for all countries except for China, which was raised to 125%

9 Apr

VN met the U.S.' Secretary of the Treasury and Secretary of Commerce on trade deal

The U.S. increased tariff in **China to 145%** 

10 Apr

VN offered to crack down on Chinese goods to avoid tariffs, showing willingness to cooperate U.S. Tariff exemption on smartphone, computers and some electronics but retain 20% on electronic import from China

13 Apr

China imposed tariff to the U.S. up to 125%

The U.S. announced **tariff on solar cell** and panel imports:

22 Apr

CAM: 3,403.9 % TH: 799.5 % **VN: 542.6%** MY: 168.8%.

11 June

16 June

2 July

7 July

10 - 23 July

A trade deal was proposed between the U.S. and China (still subject to final approval), including:

- 10% reciprocal tariff on China's goods imported into the U.S.
- 10% total tariffrate on U.S. goods imported into China
- A streamlined process for importing Chinese rare earth shipments into the U.S.
- Resumed access to U.S. colleges and universities for Chinese nationals

The U.S. Government published an executive order implementing the U.S. – UK trade agreement announced on 8 May:

- 10% baseline IEEPA reciprocal tariff on UK imports
- Reduce Section 232 tariffs on UK auto parts from 25% to 10%
- Reduce Section 232 tariffs on UK automobiles from 27.5% to 10%, applicable quota of 10.000 vehicles
- Eliminate IEEPA and Section 232 tariff on UK steel and aluminium

President Trump announced a new trade agreement between the U.S. and Vietnam:

- 20% tariff on all goods of Vietnamese origin, and 40% tariff on transhipping activities
- The U.S. is granted full access to the Vietnamese market – U.S. products can enter Vietnam without any tariff
- Significant impact on export of SUVs and large engine vehicles from the U.S. into Vietnam expected

However, a formal announcement with clarifications is still pending

The 90-day suspension (due to expire 09 July) of additional reciprocal tariff was extended to 01 August

Trump administration sent tariff warning letters to 14 nations of planned tariffs set for 01 August – though, with hint of additional negotiations:

- South Korea, Japan, Malaysia: 25%
- Cambodia, Thailand: 36%
- Laos, Myanmar: 40%

President Trump also announced an additional 10% tariff targeting BRICSaligned nations that oppose U.S. policies

Negotiations continue with the EU, India and Canada

President Trump sent tariff warning letters to Canada, Mexico and EU, threatening new higher tariffs:

- EU and Mexico: 30%
- Canada: 35%

Tariffs will take effect on 1 Aug if no agreement is reached beforehand

## The U.S. announced trade deals with Philippines, Indonesia and Japan:

- Philippines: 19% on all goods
- Indonesia: 19% on all goods of Indonesian origin, and 40% tariff on transshipping activities
- Japan: 15% on all goods



### Key U.S. tariff policies as of <u>23 July 2025</u>

U.S. tariffs - rationale	What is it?	How much and when?
'Reciprocal' tariffs	Imposition of 'reciprocal' tariffs by imposing an additional 10% baseline tariff on all imports into the U.S., while products from many territories are subject to a much higher rate.	<ul> <li>10% baseline from 5 April 2025</li> <li>Territory specific levels from 9 April 2025.</li> <li>Temporarily paused for 90 days from 10 April, extended to 01 August</li> </ul>
Industry specific tariffs	Imposition of tariffs on all imported goods in specific industries including auto, steel & aluminium, semiconductor chips, pharmaceutical, lumber & timber and copper.	<ul> <li>Steel / aluminium: 25%, increased to 50% - in effect</li> <li>Automotive: 25% - in effect on 2 April</li> <li>Automotive parts: 25% - expected 1 May</li> <li>Semiconductors &amp; Pharmaceuticals: 25%+, TBA</li> <li>Rest TBA</li> </ul>
Venezuelan oil	Imposition of tariffs on territories that purchases crude oil from Venezuela.	Probably 25%, TBA
China Tariffs	Imposition of tariffs targeting a wide range of imported Chinese origin goods along with blanket tariffs under Section 301 and IEEPA.	<ul> <li>U.S. tariff on China goods: 55% including 10% of reciprocal, 20% of fentanyl tariff, 25% of Section 301 tariff, MFN not yet included</li> <li>China tariff on U.S. goods: 10%</li> </ul>
De minimis	Goods from China valued under U.S.\$800 must be declared as normal imports with standard duties. Postal shipments will be subject to a fixed or ad valorem tariff.	• For postal shipments: from 120% to 54% or U.S.D100
Fentanyl Tariffs	A tariff surcharged applied to imports from countries accused of contributing to the fentanyl crisis (China, Mexico and Canada)	<ul> <li>China: 20% (since March 2025)</li> <li>Mexico: 30% (since August 2025)</li> <li>Canada: 35% (since August 2025)</li> </ul>

#### Goods exempted from 'reciprocal' tariffs

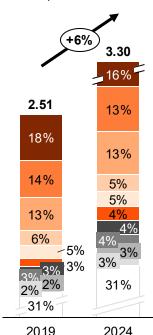
Industry	Applied Sec. 232 tariff
Automobiles	25% (in effect since 2 April 2025)
Automotive parts	25% (1 May 2025)
Steel and aluminium	25% ; 50% for EU (in effect since 12 March 2025)
Copper	50% (in effect in 01 Aug 2025)
Pharmaceuticals	25% - 200% (TBA)
Semiconductors	25%+ (TBA)
Lumber	ТВА
Certain critical minerals	TBA
Certain energy products	ТВА

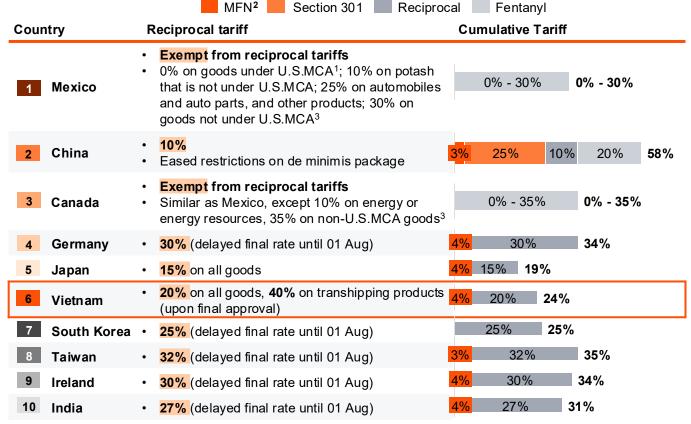
- Reciprocal tariffs do not apply to all goods. Goods with tariff codes listed in Annex II are temporarily exempted from reciprocal tariffs while the U.S. considers specific tariffs under Section 232
  - Products exempt (Annex II) from the tariffs pertain to energy-related goods (coal, gas, oil, and electricity) chemicals, raw materials, and goods not otherwise produced in the U.S.
- Section 232 of the Trade Expansion Act of 1962 allows the U.S. President to impose tariffs on imports that threaten national security. These tariff apply regardless of the origin of the goods.
- Most of the planned tariffs have yet to be announced, except for those on automobiles, automobile parts, and steel and aluminium.
- **Semiconductors** are clarified to include list of 20 HS codes issued on 11 April. Specifically, semiconductors include smartphones, computers, other electronic devices and components.

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#### U.S.' top 10 goods import partners and corresponding tariff as of 23 July

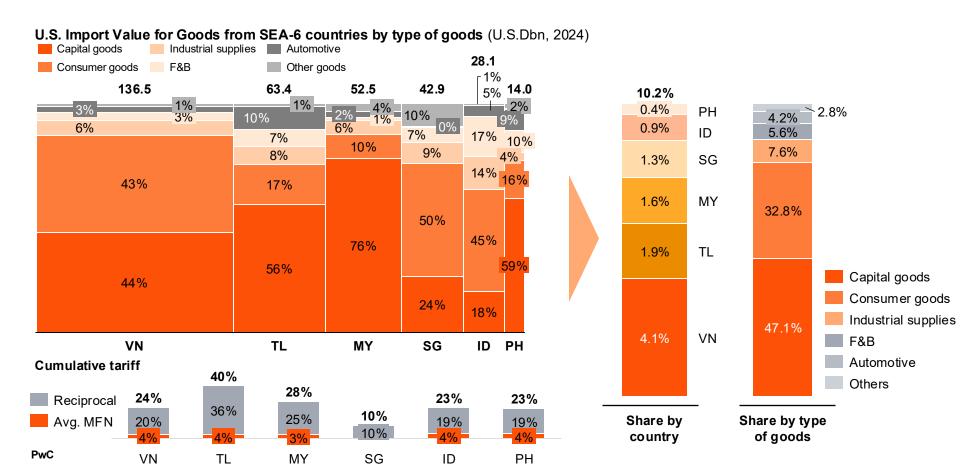






(1) U.S. – Mexico – Canada Agreement on free trade; (2) Average MFN tariff (except for Canada, Mexico, and S. Korea which currently have FTA with the U.S.; (3)I.e., subject to fentanyl tariff

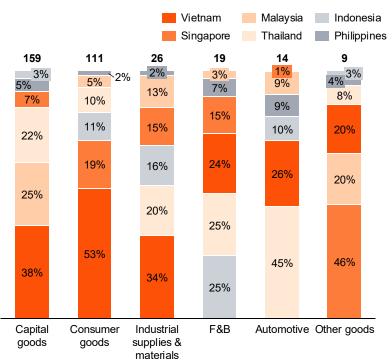
#### SEA-6 countries' goods export structure to U.S.



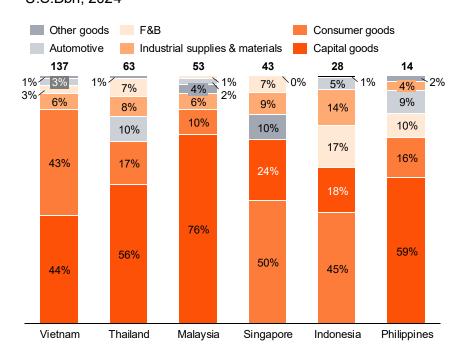
# Appendix

#### SEA-6 countries' goods export structure to U.S.

U.S.' import values from SEA-6 countries by type of goods U.S.Dbn, 2024



U.S.' import values by countries U.S.Dbn. 2024



# Thank you