

## **Fact sheet on US trade deals so far**

Ever since the US President came to power, the tariff narrative has been played out frequently as part of the widely pushed Make America Great Again policy which formed the basis of his election campaign. After months of uncertainty, the US President announced a blanket tariff rate of 10% on all imports as well as sweeping country-specific tariffs on almost all trading partners on 2 Apr 2025, dubbed the “Liberation Day” by the President. The tariffs threatened to push global tariffs to a level not seen since the early 90’s. However, the imposition of tariffs was delayed by 90 days and further to 1 Aug 2025, as the President gave countries a chance to negotiate mutually beneficial trade deals with the US. The analysis below lists out the key details of some of the trade deals announced so far.

### **1. US-UK trade deal**

UK was amongst the first countries to secure a trade deal with the US on 8 May 2025. This was much earlier than the 31 Jul deadline imposed by the US. The trade deal, termed as the Economic Prosperity Deal (EDP), is expected to boost trade and improve market access for both countries. As per the terms of the deal, the reciprocal tariff rate of 10% remains in place. Finer blueprints of the deal include the following:

#### **-For the US**

- Lower tariff rates on agricultural products are likely to open the opportunity to export US\$ 5bn worth of goods to the UK. This includes, enhanced market access for US\$ 700mn ethanol exports and US\$ 250mn for other agricultural products including beef.
- Apart from this, the UK has also committed to reducing non-tariff barriers on manufacturing exports

#### **- For the UK**

- Some exemption was allowed with respect to auto exports. It must be noted that the US President had announced a 25% blanket tariff on imports of auto and key automobile parts into the US. Under the US-UK EDP, the US agreed on a reduced tariff rate of 10% for the first 100,000 vehicles imported from the UK, while additional imports would incur 25% tariffs.
- With regard to the 50% tariff on steel and aluminum, the higher tariff rate still holds for the UK, however the US has agreed to negotiate separately on the issue.
- Similarly, the issue of preferential tariffs on pharmaceutical imports will be negotiated separately.
- Certain aerospace products from the UK will not face any tariffs in the US which is likely to strengthen aircraft manufacturing supply chains.

## **2. US-Indonesia trade deal**

The joint framework for US-Indonesia Agreement on Reciprocal Trade was announced on 22 July 2025. Under this, the US agreed to substantially reduce reciprocal tariffs on Indonesia to 19% versus 32% announced on 2 April 2025. In comparison, Indonesia has agreed to eliminate tariffs on 99% of US goods including agricultural and industrial products. Other details of the deal are as follows:

- Indonesia will remove export restrictions on exports of industrial goods to the US, including on critical minerals.
- Indonesia has also committed to purchase of aircraft worth US\$ 3.2bn, agricultural products worth US\$ 4.5bn and energy products estimates at US\$ 15bn.
- Apart from this, the agreement also lays down the foundation for simplification of procedural issues including rules of origin, non-tariff barriers, import licensing requirements amongst others.
- Additionally, Indonesia has also committed to reducing barriers to digital trade, services and investment.
- The agreement also entails significant changes in Indonesia's labour and environmental rules, in line with global best practices.

## **3. US-Japan trade deal**

After days of constant back and forth, the US Government on 23 July 2025 announced the successful completion of the US-Japan Strategic Trade and Investment Agreement. Under this agreement, Japan agreed to pay a tariff of 15% on its exports to the US. Incidentally, US had slapped a 24% tariff on Japan as per the Liberation Day schedule. Later, the US President had notified through a letter to the Japanese government, plans to impose a 20% tariff on imports from Japan. Some major highlights of the deal are:

-For the US

- Japan has committed an investment of US\$ 500bn in the US for developing and promoting US industrial capacity. These include industries such as semiconductors, energy, critical minerals, pharma and commercial and defense shipbuilding. 90% of the profits from these investments will be retained within the US.
- On trade, Japan has agreed to increase its imports of US rice by 75%.
- Japan will also increase its imports of US goods such as corn, soybeans, fertilizers, bioethanol and sustainable aviation fuel. The limit for this is set at US\$ 8bn.
- Japan has also agreed to purchase commercial aircrafts from the US, committing to buy 100 Boeing aircrafts.
- Restrictions on imports of US cars and trucks in Japan will be lifted, allowing US automakers access to Japan's market for the first time.
- Along similar lines, more market access will be provided for a wide range of US industrial and consumer goods.

#### **4. US-EU trade deal**

EU was the latest trading partner to secure a trade deal with the US. The US and EU agreed on a widely anticipated trade deal on 28 July 2025 which is dubbed as the biggest trade deal in the World. Under the deal, EU's exports to the US will incur a tariff rate of 15%. This was lower than the 20% tariff rate proposed under the Liberation Day announcement, and also the 30% tariff rate threatened by the US President subsequently. Both the countries have also agreed on holding talks to address the issue of non-tariff barriers impacting agricultural products. With respect to digital access, the US and EU have agreed to have zero custom duties on electronic transmissions.

-For the US

- EU will provide tariff free access to all US industrial goods.
- EU will also purchase US\$ 750bn of US energy products upto 2028.
- The EU has also agreed to invest US\$ 600bn in the US in the next 3 years. This is in addition to the US\$ 100bn that EU companies already invest every year.
- Apart from this, the EU has also committed to reducing non-tariff barriers on manufacturing exports.

- For the EU

- The 15% tariff rate is also applicable on auto and auto parts, semiconductors and pharmaceuticals which otherwise faced higher tariffs.
- However, the higher tariff of 50% on steel and aluminum will continue to hold.

#### **5. Other trade deals**

The US President also announced an in-principle framework for a trade deal with Vietnam. While finer details of the deal have not been announced formally so far, the US President stated that under the deal tariff on Vietnamese exports was reduced to 20%, more than half the 46% referred to in the Liberation Day tariff announcement. Further, tariff on "transshipped" goods was set at 40%. In comparison, US exports to Vietnam would face zero duty.

Along similar lines, US is said to have reached a trade agreement with Philippines, which provides duty-free access to US. At the same time, imports from Philippines would face a tariff of 19% in the US, down from 20% announced earlier.

Recently, a trade deal has also been announced with South Korea. Under the agreement, Korea's exports would attract a tariff rate of 15%. This tariff rate will also be applicable on exports of semiconductors and auto, even as steel and aluminum will continue to be taxed at 50%. Additionally, South Korea has agreed to invest US\$ 350bn in the US.

#### **Conclusion and outlook:**

Based on the deals announced so far, it does seem that the US has adopted a softer stance in trade negotiations with respect to the agreed tariff rate. For most nations, the tariff rate agreed is lower than the rate threatened during the Liberation Day announcement. The focus of the US government

continues to be on improving market access for US agricultural and energy exports. A key issue in the negotiations appear to be with respect to higher US tariffs on auto, copper and aluminum as well as semiconductors and pharma products. Further, while trade agreements with developed economies also include an investment commitment, for EM countries, the focus is majorly on increasing market access for US goods. It must be noted that these are only framework agreements, and more details will need to be analysed once the deals are formally signed. While AEs will adjust to the new tariff rates through cost optimization, for EMs tariff differentials will play an important role in ensuring that their exports remain competitive.

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