

Tariff Update: Trump Announces Universal Tariffs Effective August 1, 2025

Article

Amundsen Davis International Trade Alert

August 1, 2025

It has been several months now since President Trump began rolling out the flurry of trade actions that have come to define his America First Trade Policy, which culminated to the so-called Liberation Day reciprocal tariffs.

Since then, there have been ongoing trade negotiations with trading partners and newer trade actions with the hopes of getting to the best deal for America. Businesses are advised to take note of the following significant actions and key events that are impacting trade.

Framework Deals, None Deals, and Pauses on IEEPA Reciprocal Tariffs

On April 2, 2025, the U.S. imposed reciprocal tariffs on all imports from various countries. The ensuing chaos on its economy led to the U.S. issuing a reduction in reciprocal duties to 10 percent for a 90-day period pending further negotiations, which expired on August 1, 2025. Since then, there have been a series of negotiations, some of which have culminated in framework deals and others seemingly unsuccessful so far.

As of August 1, 2025, the “universal” tariff for goods coming into the U.S. will remain at 10 percent. However, that rate will apply only to countries with a trade surplus. A 15 percent rate will serve as the new tariff floor for countries with which the U.S. has a trade deficit. Further, a 40 percent additional penalty shall be imposed on so-called transshipment goods.

The following are current reciprocal tariff rates for some notable countries, most of which will go into effect on August 7, 2025.

Countries

Tariff Rates

United Kingdom

10%

PROFESSIONALS

Ngosong Fonkem
Partner

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EU

15% for Column 1 duty rate less than 15%

Japan

15%

South Korea

15%

The Philippines

19%

Malaysia

19%

Thailand

19%

Sri Lanka

20%

Tunisia

25%

India

25% "plus an unspecified penalty" for purchase of Russian oil and weapons

Algeria

30%

South Africa

30%

Bosnia & Herzegovina

30%

Mexico

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30%

Iraq

30%

Libya

30%

Indonesia

32%

Canada

35% on goods that are not USMCA compliant

Bangladesh

35%

Serbia

35%

Thailand

36%

Cambodia

36%

Switzerland

39%

Laos

40%

Myanmar

40%

Brazil

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50% with exemptions

Notably with respect to China, the pause at 10 percent is due to expire on August 12, 2025. Any new extension in the event no deal is reached is at President Trump's discretion.

Elimination of De Minimis Exemptions

Section 321 of the Tariff Act of 1930 allows for the informal entry of articles that have a retail value of \$800 or less in the aggregate per day and are imported by one person, unless the port director has reason to believe that the shipment was structured to avoid duties.

On July 30, 2025, President Trump issued an executive order under IEEPA powers that will suspend commercial de minimis entries from all countries effective August 29, 2025. The only exemptions are for U.S. travelers that bring back up to \$200 in personal items and individuals that receive a bona fide gift valued at \$100 or less.

Imposition of Section 232 Tariffs on Copper Products

On July 30, 2025, President Trump issued a proclamation imposing a universal 50 percent tariff on imports of semi-finished copper products (such as copper pipes, wires, rods, sheets, and tubes) and copper-intensive derivative products (such as pipe fittings, cables, connectors, and electrical components). This tariffs go into effect on August 1, 2025.

In terms of tariff stacking, per the proclamation, if a product is classified in a provision subject to Section 232 tariffs on both copper and automobiles/auto parts, the 25 percent tariff applicable to automobiles and auto parts applies and not the tariffs on copper. Further, the non-copper content of the good would continue to be subject to reciprocal tariffs and other IEEPA-related tariffs imposed on China, Canada, and Mexico.

What Does This Mean For Businesses?

As we have previously reported, businesses face continued uncertainty and should continue to familiarize themselves with effective strategies to avoid, mitigate, and even recover tariffs. In the meantime, we will continue to monitor ongoing developments on these trade actions and will report back should new information become available.

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