



Trade, Tariffs and More

11th July 2025



In the news this week

Trump's latest threat of 200% pharma tariffs raises big questions for Ireland

EU gets three-week extension to negotiate US trade deal to avert escalating tariffs row

Trump threatens extra 10% tariff on nations siding with Brics

Brazil vows to match US tariffs after Trump threatens 50% levy

Trump threatens 35 per cent tariffs on Canada on Aug. 1 in letter posted online

EU eyes quick trade deal as Trump announces more tariffs

Where did we come from – US Reciprocal Tariffs

- Minimum **base level 10% tariff** on all countries.
 - This took **effect from April 5, 2025**
- **Individualized reciprocal higher tariff** on the countries with which the United States has the largest trade deficits.
 - This was due to **take effect from April 9, 2025**
- Following President Trump's announcement **on April 9, 2025**, the increased reciprocal tariff rates were suspended for all countries except China, for 90 days.
- On **Monday July 7**, President Trump signed an Executive Order adjusting the deadline for the imposition of “reciprocal tariffs” **from July 9 to August 1**.
- As of this week, President Trump has issued letters to several countries indicating the increased rate of duty (up from the 10% baseline currently in place) which will **take effect on August 1**.
- 10% tariffs will remain in effect until such a time as President Trump determines that the threat posed by the trade deficit and underlying nonreciprocal treatment is satisfied, resolved, or mitigated.
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Goods Exempt From Reciprocal Tariffs

Steel/aluminium articles already subject to Section 232 tariffs

Cars/car parts already subject to Section 232 tariffs

Copper

Pharmaceuticals*

Semiconductors

Lumber articles

All articles that may become subject to future Section 232 tariffs

Bullion

Energy and other certain minerals that are not available in the US

Articles subject to 50 USC 1702(b) (Communications, Donations, Informational Materials)

* Medical devices are not contained within the list and therefore will be subject to the additional tariffs

US Reciprocal Tariffs – The Letters

Country	Tariff Rate (August 1 st)
Canada	35%
Brazil	50%
Japan	25%
South Africa	30%
South Korea	25%
Algeria	30%
Bangladesh	35%
Bosnia & Herzegovina	30%
Brunei	25%
Cambodia	36%
Indonesia	32%
Iraq	30%
Kazakhstan	25%
Laos	40%
Libya	30%
Malaysia	25%
Moldova	25%
Myanmar	40%
Philippines	20%
Serbia	35%
Sri Lanka	30%
Tunisia	25%
Thailand	36%

- As of July 11, President Trump has sent tariff letters to 23 countries informing them of their new reciprocal tariff rates, which will take effect on August 1.
- The US tariff rates in these letters are designed to make the terms of the bilateral trade relationships more reciprocal over time and to address the national emergency caused by the U.S. goods trade deficit.
- In some instances, countries will be subject to a revised reciprocal tariff rate that is lower than the rate initially announced on April 2.
- For others, the reciprocal tariff rate may be higher than the previous rate.

President Trump:

“If, for any reason, you decide to raise your tariffs, then, whatever the number you choose to raise them by, will be added on to the 25% that we charge”

Additional US Measures

Steel, Aluminium & Copper

- On Wednesday, 12 March, President Trump's plans to re-impose sweeping 25% tariffs on steel and aluminium came into effect.
- These tariffs apply to a wide range of steel and aluminium products and include hundreds of derivative/downstream products, from nuts and bolts to bulldozer blades and soda cans.
- The steel products impacted include goods from chapters 73, 84, 85 and 94 of the Harmonised System.
- The aluminium products impacted include goods from chapters 66, 76, 83, 84, 85, 87, 88, 90, 94, 95 of the Harmonised System.
- As of 4 June, steel and aluminium tariffs have increased to 50%.
- On Monday 7 July, President Trump announced a 50% tariff on the import of copper in an effort to boost US production.

BRICS

- President Donald Trump announced that the United States will impose an additional 10% tariff on any country that aligns itself with what he described as the "Anti-American policies" of the BRICS group of emerging economies.
 - *"Any Country aligning themselves with the Anti-American policies of BRICS will be charged an ADDITIONAL 10% Tariff. There will be no exceptions to this policy. Thank you for your attention to this matter!"*
- The BRICS countries are Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Indonesia, Iran & United Arab Emirates
- President Trump did not elaborate on what constitutes "Anti-American policies," leaving the scope of the new tariff threat open to interpretation.
- In a joint statement released from the BRICS summit's opening session in Rio de Janeiro this week, BRICS leaders warned that escalating tariffs pose a serious threat to global trade.

Where are we now – EU Retaliatory Tariffs



- On March 12, the EU Commission announced countermeasures in response to the US tariffs on steel and aluminium products, which they deemed “*unjustified*”.
- The tariffs which would be imposed range from 10% to 75% with the majority of products falling within the 25% category. On April 14, the EU published a list of products which would be subject to these countermeasures.
- Following a period of consultation, the implementation of these measures was postponed from April 15 to July 15.
- On May 8, the EU Commission launched a public consultation on a list of US imports which could become subject to EU countermeasures as a direct response to the US reciprocal tariffs.
- This consultation ended on June 10th, and the finalised list includes a wide variety of products.
- As of July 10th, news reports are advising that negotiations between the EU and the US are near to concluding an “agreement in principle”, which sources say could be finalised imminently, if approved by US president Donald Trump.
- In this scenario, any possible EU countermeasures would be suspended.

Tanaiste, Simon Harris:

“I want to be clear that while it is likely there will be some form of tariffs going forward, their imposition even at a lower rate is bad for consumers, jobs, economic growth and investment.

As I have been saying for some time, the uncertainty is also bad for economic confidence and Irish businesses seeking clarity on the trading environment in which they operate”.



Aerospace

- Recent announcements from President Trump confirm that the baseline tariff of 10% on EU origin products will remain in place until at least August 1. From an aviation perspective, this will entail;
 - Aircraft or aircraft parts of EU origin
 - Engines or engine parts of EU origin
 - Engine mounts of EU origin
 - Engine stands
- On Monday 7 July, President Trump signed an Executive Order adjusting the deadline for the imposition of “reciprocal tariffs” from 9 July to 1 August.
- Although the Executive Order does not explicitly reference the aviation sector, a positive development has emerged as POLITICO, citing an EU diplomat, reports that exceptions will be granted to “sensitive sectors such as aircraft”.
- It is not clear whether this would have any impact on the active Section 232 investigation related to imports of commercial aircraft, jet engines and related parts.
- Additionally, in relation to the additional 25% tariffs on steel and aluminium, various products could be subject to tariffs such as mountings and fittings for aircraft (including engine mounts) and spare parts for airplanes, helicopters, drones and other unmanned aircraft.



Pharmaceuticals & Medical Devices

- Pharmaceuticals were excluded from the original US Reciprocal Tariffs however medical devices were not.
- A Section 232 Investigation, launched on 16 April by the US Department of Commerce, was initiated to determine the effects of imports of pharmaceuticals and pharmaceutical ingredients on national security.
- This investigation covers imports of finished drug products, medical countermeasures, and active pharmaceutical ingredients (API).
- Taoiseach Micheál Martin stated on Monday 7 July that he believed a “framework agreement” would be agreed between the US and the EU this week. It is expected that this agreement would not include any specific derogation for the pharmaceutical industry.
- On Tuesday 8 July, US President Trump stated he is planning to announce tariffs on pharmaceuticals, explaining that the rate could reach up to 200%.
 - However, Trump has stated that the US Government will give people “*about a year, a year and half to come in and, after that, they’re going to be tarified*”.



Food & Beverage

- The value of EU agrifood exports to the US, including products such as wine, totalled €48bn in 2024.
- On 4 July, the Financial Times reported that the “the US has threatened to hit EU agricultural exports with 17% tariffs. It is unclear whether this would be in addition to the standard reciprocal tariffs or instead of them.
- In response to US reciprocal tariffs, the EU has previously published a list of countermeasures which targets the US agrifood industry including tariffs on a broad range of products such as bourbon whiskey, wine, cider, soya, and olives.
- As of 10 July however, news reports are advising that negotiations between the EU and the US are near to concluding an “agreement in principle”, which sources say could be finalised imminently, if approved by US president Donald Trump.
- Reports across multiple outlets are detailing possible exceptions for sensitive sectors such as spirits however this is yet to be seen.

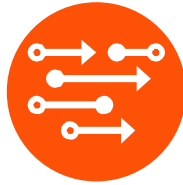
Key Impact Levers to Reduce Tariff Exposure



Stockpile inventory



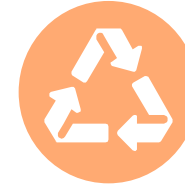
*Supplier Negotiations –
lock in costs*



*First Sale/
Country of Origin/
Free Trade Agreements*



*Alternative
Valuation*



*Duty Drawback
(5-year retro opp)*



*Tariff Classification/
Exclusions or Exemptions
Free Trade Zones (FTZ)*

Existing Supply Chain

Modified Supply Chain



*Supplier/Customer Pricing
and Negotiations*



*Trade Policy Consulting &
Customer Messaging*



Site selection



*Product Flows/ Alternative
materials*



*Supply Chain Footprint –
change or diversify*

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The PwC Global Trade and Customs Team is the largest customs advisory team in Ireland with 19 members from a variety of backgrounds. We provide a wide range of customs, excise and export control advisory services to importers and exporters who operate global supply chains. The team provides clients with practical, commercial advice to support their compliance with customs and trade requirements and to help them to minimise duties and other costs associated with cross border trade.

We support both domestic and multinational clients across multiple industries (including Agri-food, Pharmaceuticals & Medical Devices, Technology, Retail and Consumer Products, Industrial Manufacturing and Public Sector) and use our understanding of sector-specific issues to tailor our advice to client needs. The team itself prides itself on keeping up-to-date with customs and trade developments and on providing advice that is relevant, insightful and commercial.

Thank you