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# Dawn of New Tariff Reality This Week

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Practices: Commercial, Competition & Trade

This Friday (August 1), the Trump Administration's extension of the ten percent (10%) additional reciprocal import tariff in place for imports of goods from most countries expires. As of writing, most imports from the United Kingdom will continue to be subject to the 10% additional duty, on top of existing tariff rates, except for automobiles in excess of the first 100,000 per year, and steel and aluminum, which are supposed to see reduced tariff levels. For importations from the European Union and Japan, those goods will largely face a 15% baseline duty, which is currently understood to take the place of previous tariff rates for all affected goods (rather than being in addition to the original tariff rates). The 15% baseline duty will apply to automotive imports, however, steel and aluminum imports subject to the Trump Administration's Section 232 tariffs will still be subject to a 50% rate. This will remain the case until European and Japanese regulators can assure the Trump Administration that their supply chains are free of Chinese steel and aluminum.

Some of the United States' main trading partners have yet to come to a trade deal:

1. Imports from Canada will carry a 35% rate and those from Mexico will be subject to a 30% rate, to the extent that importers cannot demonstrate that their goods comply with USMCA origin rules.
2. For Chinese imports, the current average rate of over 50% will revert to 145% from August 12.

More deals may materialize in the coming days and hours, and this will have direct impact on the rates which importers and their customers will pay on imported goods. We will continue to monitor this fluid situation and provide updates on changes to the import landscape in the United States.

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