

Announcement to Delay Tariffs to August 1, 2025: Implications for Pan-Asia Region

The U.S. administration announced on July 7, 2025 that the effective date for reciprocal tariffs with certain trading partners and the additional ad valorem duty of 10% on all imports from all trading partners will be extended from **July 9 to August 1**. As of July 10, 2025, the US President has sent out letters to over 25 countries (with potentially more to come) having failed to reach a trade agreement with the U.S. These tariff rates are in addition to sectoral tariffs. To date, only the **UK , Japan, Indonesia, Philippines and Vietnam** have secured agreements, while **the U.S. and China** have paused previously proposed tariff increases.

COUNTRIES IMPACTED BY RECENT ANNOUNCEMENTS

COUNTRY	ORIGINAL RECIPROCAL TARIFF (2 APRIL)	REVISED RECIPROCAL TARIFF (START 1 AUGUST)
Algeria	30%	30%
Bangladesh	37%	35%
Bosnia and Herzegovina	35%	30%
Brazil	10%	50%
Brunei	24%	25%
Cambodia	49%	36%
Indonesia	32%	19%
Iraq	39%	30%
Japan	24%	15%
Kazakhstan	27%	25%
Laos	48%	40%
Libya	31%	30%
Malaysia	24%	25%
Moldova	31%	25%
Myanmar (Burma)	44%	40%
Philippines	17%	19%
Serbia	37%	35%
South Africa	30%	30%
South Korea	25%	25%
Sri Lanka	44%	30%
Thailand	36%	36%
Tunisia	28%	25%

KEY TAKEAWAYS FOR PAN-ASIA



The countries advanced in negotiations or reaching some deals did not receive the letters

- Vietnam has already reached a deal with the U.S. The U.S. will enjoy zero tariffs on its exports to Vietnam who agreed to 20% tariff on most of its export to the U.S. (reduced from 46%). If the goods deemed to be “transshipped” from third countries through Vietnam, they will be subject to a steeper tariff of 40%.
- China reached a preliminary framework with the U.S. on June 26, 2025 with ongoing issues to be resolved. India is “close to making a deal” with the U.S.



Those not advanced in negotiations or results not satisfied by the U.S. received the letters

- After its first negotiations round on July 2, Thailand submitted the revised proposal on July 6.
- Malaysia, facing a slightly higher rate than that indicated on April 2, confirmed on July 8, that it remains “optimistic” about reaching a trade deal.
- Indonesia has been actively negotiating and made offers to the U.S. As a BRICS member, it maybe facing the threat of an additional 10% tariff.
- Japan and Korea will continue to work towards deals with the U.S.



Additional considerations

- The U.S. has threatened an additional 10% tariff on BRICS members and those aligning with its position against the “unjustified unilateral protectionist measures.”
- On July 9, Brazil was added to the list of counties imposed reciprocal tariffs with a tariff rate (50%) unrelated to trade matters. The President may send even more letters in the coming days, and countries may be subject to higher or lower tariff than the previous one. The letters emphasized possible punishment against “goods transshipped to evade” higher tariffs of other third countries. They will be subject to the higher tariffs of those other countries.

HOW WE CAN HELP

While uncertainty persists, this development underscores the importance of being ‘tariff-ready.’ At A&M we support our clients navigate these challenges by implementing **short-term, no-regrets measures** while longer-term strategies are evaluated. Key options to consider include:

Establishing a Clearing house

A centralized team to monitor tariff updates, assess business impacts, and translate policy changes into actionable insights for stakeholders.

Optimizing Customs Valuation

Exploring legitimate ways to reduce duty exposure such as reassessing intangible cost allocations or applying the **First Sale for Export rule** for U.S.-bound shipments.

Value Chain Optimization

Identifying opportunities to enhance liquidity by reducing non-trade supply chain costs in the near term.

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