

# Pause on Higher Reciprocal Tariff Rates Extended to August 1

## WRITTEN BY

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On July 7, 2025, President Trump signed an [executive order](#) (the Order) once again extending the temporary suspension of reciprocal tariffs that were originally set forth in his [April 2 “Liberation Day” Executive Order 14257](#) and later suspended until July 9 under [Executive Order 14266](#) (together, Reciprocal Tariffs). The latest move gives most U.S. trading partners (except China) until August 1 to reach bilateral trade agreements or face sharp tariff increases.

This latest development is part of President Trump's broader strategy to recalibrate U.S. trade relationships. This move reflects a strategic pause to allow ongoing negotiations to progress, while maintaining pressure on trading partners to secure trade deals that enhance U.S. economic interests.

### ***The Order***

The Order formally maintains the temporary additional 10% tariff rate on most imports from most trading partners through 12:01 a.m. EDT on August 1. The temporary pause on the higher country-by-country Reciprocal Tariffs was set to expire on July 9. While this deadline has been extended to August 1 for most trading partners, the temporary Reciprocal Tariff rate for China remains unchanged at 30% until August 12 pursuant to [Executive Order 14298](#).

### ***Tariff Rates Starting August 1***

Simultaneously with the Order, President Trump issued [letters](#) to the governments of the following 14 countries, warning of “higher tariffs,” outlined below, “if they don't make trade deals with the U.S. by Aug. 1.” Countries not listed and without a trade agreement with the U.S. starting on August 1 will remain subject to the baseline 10% additional tariff rate.

<b>Country/Region</b>	<b>Proposed Tariff Rate</b>
Japan, South Korea	25%
Laos, Myanmar	40%
Cambodia, Thailand	36%
Bangladesh, Serbia	35%
Indonesia	32%
South Africa, Bosnia	30%
Malaysia, Kazakhstan, Tunisia	25%

## ***Additional Retaliation Threats***

President Trump [threatened](#) to impose an added 10% tariff on any BRICS country (a group of emerging economies — Brazil, Russia, India, China, South Africa, Saudi Arabia, Egypt, United Arab Emirates, Ethiopia, Indonesia, and Iran — formed to promote political and economic cooperation) if they adopted policies deemed “anti-American.” This would be in addition to the tariffs already imposed against these countries. However, no official action has been taken to impose these threatened measures. The administration has not defined what would constitute “anti-American” policies. However, President Trump has previously warned BRICS leaders against creating a new shared currency or backing efforts to replace the U.S. dollar in global trade. The threat follows a recent BRICS summit in Brazil, where participating countries criticized U.S. trade policies and expressed frustration with continued dollar dependency in the international financial system.

## ***Countries with Preliminary Agreements***

So far, only a few countries — Vietnam, the UK, and China — have reached agreements or understandings, each resulting in either partial or temporary relief from the steep Reciprocal Tariff increases set to take effect on August 1. For the UK, a [May 2025 framework agreement](#) preserves a 10% baseline additional tariff rate on most UK imports into the U.S., with exemptions or reduced rates for specific sectors such as automobiles, steel, and aluminum. The UK also agreed to lift tariffs on key U.S. exports like ethanol and beef. However, some details of the deal are not yet finalized.

With China, a 90-day pause was [agreed to](#) in May, currently capping the recently added U.S. tariffs at 30% (including a 10% Reciprocal Tariff and a 20% opioid-related tariff imposed on all Chinese imports under Executive Order 14195, as amended by Executive Order 14228) through August 12. This agreement temporarily shields China from the August 1 Reciprocal Tariff escalation, though its future status remains uncertain pending the outcome of ongoing trade negotiations.

President Trump [announced](#) on July 2 that Vietnam had agreed to a framework that sets a 20% Reciprocal Tariff on most Vietnamese imports, lower than the initial 46% Reciprocal Tariff rate that had been proposed for Vietnam. However, the agreement also includes a tariff rate of up to 40% for transshipped goods originating from third countries. This measure is widely viewed as indirectly targeting China’s exports to Vietnam that may be reexported to the U.S. In exchange, the U.S. secured duty-free treatment for several major exports to Vietnam. Still, key details of this framework agreement with Vietnam remain unresolved.

## ***What’s Next?***

- August 1 Deadline: Countries that do not strike deals with the U.S. by then could face added tariffs.
- New Trade Agreements: Look for announcements of new agreements with major trading partners over the coming weeks.
- Compliance and Supply Chain Strategy: U.S. companies are being urged to evaluate sourcing risks, update tariff classifications, and consider supply chain shifts as the deadline approaches.

President Trump's tariff agenda has always centered on leverage — and with the extension of the pause to August 1 and the issuance of stark letters to trading partners, the administration is seeking to maximize that leverage. This is more evident from [recent announcements](#) made by President Trump signaling several steep sector-specific tariffs will be imposed soon, including pharmaceutical and copper imports. The coming weeks, however, will determine whether countries agree to bilateral deals that will satisfy the administration.

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