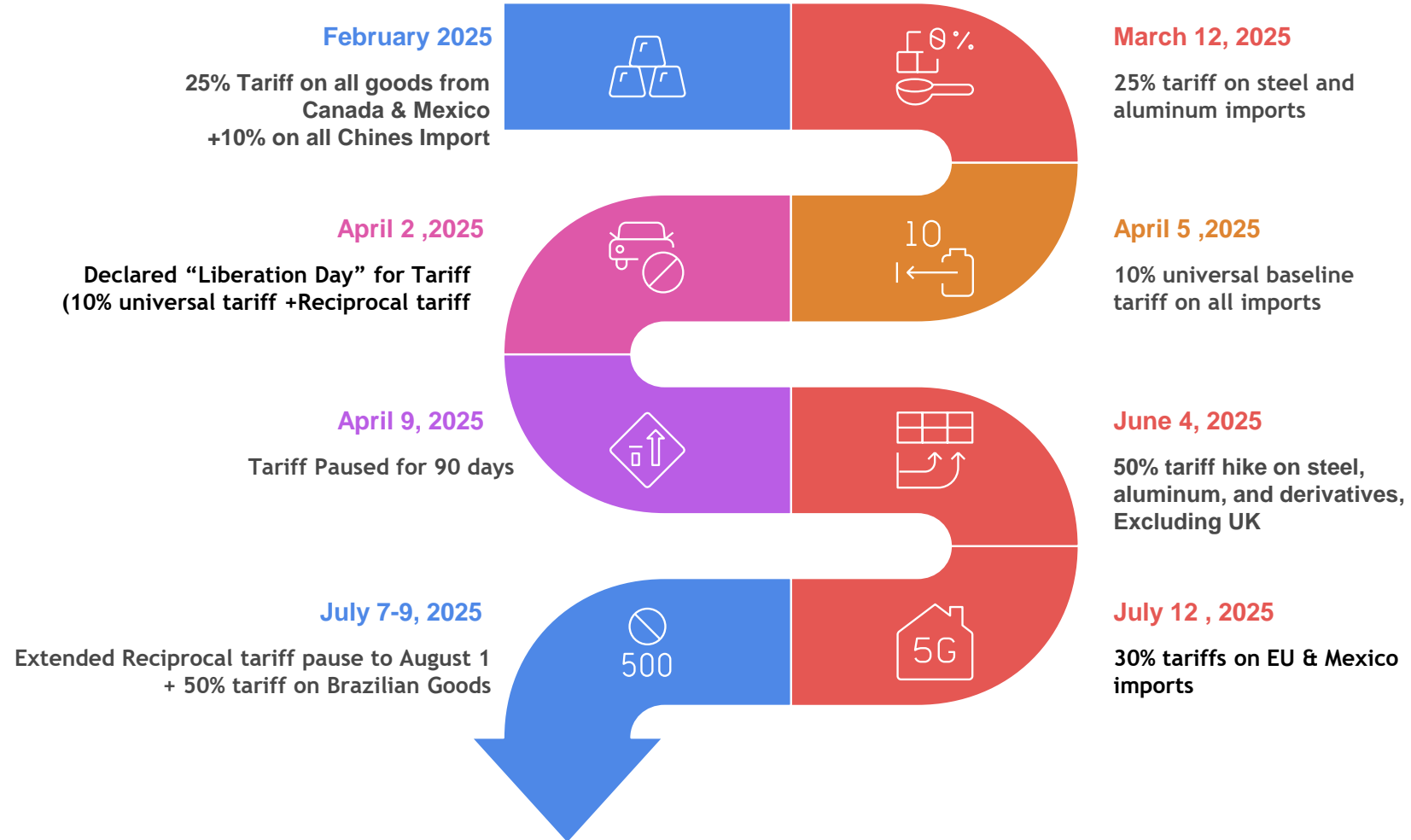





US Tariff Deal Developments So Far (15.07.2025)....

Trump's Tariff Timeline: Key Economic Shifts



Trade Deal Which Got Final Nod (Signed)/ Ongoing Framework (Agreed Upon)...

Tariff Comparison

	 Vietnam	 UK	 China
Tariff	20% standard, 40% on transshipments	10% flat tariff	30% U.S. to 10% China
Main Features	U.S. market access	Cuts on auto, metal, beef	Negotiations on rare earths
Timeline	Agreed July 2025	In effect June 30	Truce ends mid-August 2025

As of now, final USA tariff deal is only completed with two countries -Vietnam and UK. One truce agreed upon with China valid up to August 2025

Other Details of Trade Deal Which Got Final Nod (Signed)/ Ongoing Framework (Agreed Upon)...

U.S.–Vietnam Trade Deal

- U.S. tariffs on Vietnamese-made goods standardized to 20%, down from 46%.
- A 40% tariff now applies to goods transshipped through Vietnam—designed to discourage companies from routing Chinese products via Vietnam to avoid U.S. duties

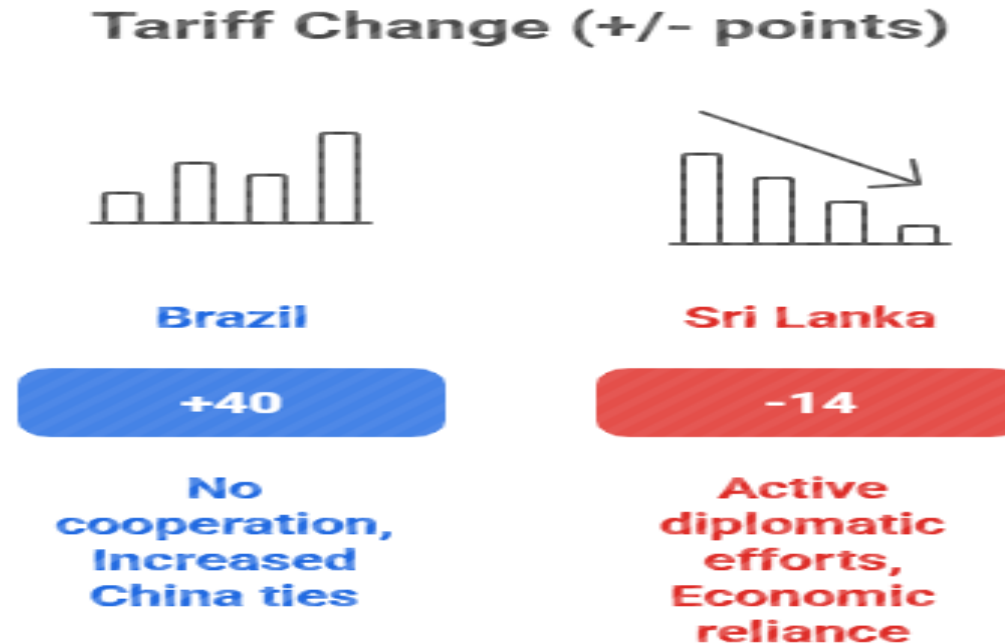
U.S.–UK Trade Deal

- Most U.S. tariffs on UK imports set at a reciprocal 10%
- First 100,000 UK-made cars/year imported at 10%, thereafter at 25%
- Steel & aluminum from the UK now flow tariff-free under quota; aerospace parts also see eliminated duties
- The UK lifted tariffs on U.S. ethanol, granted 13,000 metric tons of beef tariff-free access, and reduced non-tariff barriers

U.S.–China Trade Talks

- The U.S. and China remain in a **90-day truce** following tariff escalations in April-May. Current U.S. rates are ~30% and China's ~10% on reciprocal goods, expiring around **mid-August 2025**
- A minor tech concession: **Nvidia's H20 AI chip exports to China resumed** after a U.S. policy adjustment .
- Ongoing negotiations: agricultural goods, rare-earth minerals, semiconductors, and export controls

22 Distinct Nations + EU Received Formal Letters on Tariff Rates So Far ...



Tactical Deadline :These letters are tied to a hard deadline of August 1,2025 to Secure deals or face tariffs

So far highest tariff has been imposed on Brazil and lowest on Sri Lanka (New Tariff vis-à-vis existing Tariff

22 Distinct Nations+ EU Received Formal Letters on Tariff Rates So Far ...

Sr. No	Country	Tariff Rate (New)	Tariff Rate (old)	Change (+/- points)	Probable reasons
1.	Brazil	50 %	10%	+40	No cooperation, Increased China ties, strategic pressure
2.	Philippines	20%	17%	+3	Delayed negotiation, U.S. concerns over China-leaning military/diplomatic posture
3	Malaysia	25%	24%	+1	Partial deal, Not enough reciprocal market opening
4	Brunei	25%	24%	+1	Symbolic adjustment, Small economy, No clear concessions
5	Japan	25%	24%	+1	Marginal revision, trade access issues not fully resolved
6	Sri Lanka	30%	44%	-14	Active diplomatic efforts, Economic reliance on U.S. exports (garments); GSP history
7	Indonesia	19%	32%	-13	Deal finalised.
8	Cambodia	36%	49%	-13	Garment industry pressure, Pro-U.S. diplomatic gestures
9	Iraq	30%	39%	-9	U.S. strategic ally, Military/security cooperation
10	Laos	40%	48%	-8	Low export volume, Softer U.S. stance on small economies
11	Moldova	25%	31%	-6	Diplomatic outreach, Small trade volume
12	Bosnia & Herzegovina	30%	36%	-6	Positive engagement, Minor exporter, EU-aligned reforms ongoing
13	Myanmar	40%	44%	-4	Similar to Laos, Small economy, Minimal U.S. trade exposure

22 Distinct Nations+ EU Received Formal Letters on Tariff Rates So Far

Sr. No	Country	Tariff Rate (New)	Tariff Rate (old)	Change (+/- points)	Probable reasons
13	Tunisia	25%	28%	-3	Diplomatic efforts, Minor impact on U.S. economy
14	Serbia	35%	37%	-2	Partial concessions, EU-access alignment
15	Bangladesh	35%	37%	-2	Negotiations on textile sector; U.S. has large apparel imports
16	Kazakhstan	25%	27%	-2	Strategic oil/gas relevance, Cooperation with U.S. negotiators
17	Libiya	30%	31%	-1	Marginal revision, Minor exporter
18	Algeria	30%	30%	No change	No strategic shift; low trade volume
19	Thailand	36%	36%	No change	Middle of negotiation; maintaining leverage
20	South Africa	30%	30%	No change	No new trade terms offered; moderate exporter
21	South Korea	25%	25%	No change	Negotiations ongoing; middle-ground status

USA -India Trade Deal Progress So Far ...

Refreshing USA-India Trade Dynamics

India’s Trade Dynamics with USA (Top 10 Commodities), Jan -Dec,2024							
	Exported				Imported		
S.No.	Commodity	Volume	% Share		Commodity	Volume	% Share
1	SMARTPHONES	7071.32	8.8		PETROLEUM CRUDE	5374.6	12.1
2	DIAMOND	4883.39	6.0		LIQUIFIED NATURAL GAS	2568.8	5.8
3	OTHER MEDICINE	3746.04	4.6		DIAMOND	2520.2	5.7
4	PETROLIUM OIL AND OTHER OILS	3562.94	4.4		COKING COAL	2146.0	4.8
5	VANNAMEI SHRIMP	1752.75	2.2		UNWROUGHT FORMS OF GOLD	2064.2	4.6
6	Gold (Studded with diamonds)	1636.07	2.0		AEROPLANES AND OTHR AIRCRAFT	1845.9	4.2
7	Photovoltaic cells	1482.69	1.8		STEAM COAL	1378.9	3.1
8	ANTICANCER DRUGS	1372.25	1.7		TANKERS	1019.4	2.3
9	OTHER PARTS OF VEHICLES	935.2	1.2		ALMONDS FRSH OR DRIEDIN SHELL	938.7	2.1
10	Garments & Textile	720.15	0.9		OTHER PETROLIUM PRODUCTS	861.4	1.9
	Share of Top 10 Commodities Exported to USA	27162.8	33.6		Share of Top 10 Commodities Imported from USA	20718.0	46.6
	India's Total Export to USA	80774.8	18.2		India's Total Import from USA	44421.2	6.2
	India's Total Export to USA	442706	100.0		India's Total Import from USA	718163	100
	India enjoys Trade Surplus of (+) 36.3Bn						

How Elastic is Our Major Export to USA ?

S.No	Commodity	Value (\$bn) (Exported by India)	% Share (Exported by India)	Value (\$Bn) (USA Total Import)	India's share
		(A)	(B)	(C)	(D =A/C*100)
1	SMARTPHONES	7.1	8.8	114	6.2
2	DIAMOND	4.9	6.0	15.4	31.7
3	OTHER MEDICINE	3.7	4.6	212.7	1.8
4	PETROLIUM OIL AND OTHER OILS	3.6	4.4	235.8	1.5
5	VANNAMEI SHRIMP	1.8	2.2	6.0	29.2
6	Gold(Studded with diamonds)	1.6	2.0	16.0	10.2
7	Photovoltaic cells	1.5	1.8	23.3	6.4
8	ANTICANCER DRUGS	1.4	1.7	75.0	1.8
9	OTHER PARTS OF VEHICLES	0.9	1.2	95.9	1.0
10	Garments & Textile	7.2	0.9	106.6	6.8

India's shares in US import is significant for Diamond (31.7%), Shrimp (29.2%), Gold (10.02%), Garment & Textile (6.8%) and smartphone (6.2%) respectively.

USA-India Trade Deal : Bone of Contention

- ❑ **Flat 26% US reciprocal tariff** covers most Indian exports (exemptions: pharma, semiconductors, copper, energy)
- ❑ **Existing US tariffs:**
 - ✓ 25–50% on steel & aluminum under Section 232
 - ✓ 25% on autos & parts from March/April 2025 .
- ❑ **India's protective tariffs** remain high:
 - ✓ Automobiles: 70–150%.
 - ✓ Dairy, rice: 30–80% .
- ❑ **Sector nuance:**
 - ✓ Electronics & textiles: US 26% vs India ~7–17%
 - ✓ Pharma: exempt from US reciprocal tariff; India low duties
 - ✓ Gems & jewelry: 26% US vs India ~15%
 - ✓ Steel/Aluminum: US 25–50% vs India 7.5–15% + anti-dumping .
- ❑ **Sector vulnerability:**
 - ✓ Shrimp & seafood: US ~27% hike; India ~<30% .
- ❑ **Machinery & chemicals:** US 26% vs India ~6–10%

Why USA-India Trade Deal Remain Unresolved ?

Issue Area	U.S. Demand	India's Position
Dairy & Agriculture	Market access for GM crops, dairy	Politically too risky; cultural & subsidy constraints
Steel/Autos	Reduction of current U.S. duties	Wants rollback of U.S. auto/steel tariffs
Non-Tariff Barriers	Ease e-commerce, data, IP regimes	Preserving data rules, digital policy control
Tariff Parity	Equal tariff commitment like Vietnam/China	India seeks favorable exemptions

GTRI (Global Trade Research Institute) Advisory to India

❑ Protect Core Sectors, Avoid Rush

- ✓ Not to yield under pressure
- ✓ Entering a deal hurriedly could threaten its **agriculture, digital policy, and regulatory autonomy**, with potentially irreversible long-term effects.

❑ Beware of 'MASALA' Deals

- ✓ "MASALA deals" (Mutually Agreed Settlements Achieved through Leveraged Arm-twisting) characterize bilateral compacts where **India makes major concessions** (e.g., tariff cuts, guaranteed purchases) **without reciprocal U.S. returns**, and with the **risk of further U.S. tariffs later Trump's Tactics Under Scrutiny**
- ✓ GTRI labels the U.S. strategy as **coercive** ("coercive tactics") or **transactional/politically driven**, void of long-term stability. It warns against trusting agreements that might unravel with changing U.S. administrations.

❑ Global Pushback Context

- ✓ Reminding that the **U.S. is engaging more than 20 countries** and seeking concessions from over 90.
- ✓ GTRI notes that **most nations are resisting**, including the EU, Japan, S. Korea, Australia, EU, signaling India is not alone.

❑GM Imports & Agricultural Autonomy

- ✓ GTRI cautions against opening domestic markets to **genetically modified (GM) crops or animal feed**, warning this could erode India's reputation as a **GMO-free exporter** (especially to the EU), incur traceability costs, and harm **food security**

❑Include Steel/Aluminium Within FTA Framework

- ✓ Rather than escalating dispute, GTRI recommends the **tariffs imposed on Indian steel and aluminium** should be addressed *within* the broader free trade agreement negotiations.

❑Reassess in Light of Legal Rulings

- ✓ Following a U.S. federal court ruling declaring Trump-era reciprocal tariffs unlawful, GTRI suggests India **reposition strategy** in FTA discussions—leveraging **this for stronger bargaining leverage**.

❑Highlighting a Hidden U.S. Surplus

- ✓ GTRI challenges U.S. deficit claims, showing that the **U.S. actually runs a "hidden surplus"** with India when investment, services, and corporate mix are factored in, undercutting the unilateral trade deficit narrative

NITI Aayog's insights on the US-India trade deal :

- ❑ As of **April-July 10, 2025**, new US tariffs raised duties on China, Canada, Mexico—but India's average tariff exposure remains lower, allowing it to gain a **competitive edge in 22 of the 30 top HS-2 export categories**, which make up 61 % of India's export value to the US.
- ❑ At the HS-4 level, India gains in **78 out of the top 100 products**—amounting to around 52 % of its export volume to the US.
- ❑ Sectors set to benefit include **electrical machinery, nuclear equipment, textiles, automobiles, pharma, auto components, furniture, seafood, etc**

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