

ICC Global Trade Update

8 July 2025

DISCLAIMER: *Given the fast-moving trade policy environment, please ensure that latest developments have been taken into account in your operations and communications.*

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BRICS SUMMIT

Tariffs dominate summit declaration, U.S. not mentioned by name

- The BRICS Summit took place on 6-7 July 2025 in Rio de Janeiro, Brazil, with participation from Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Indonesia, Iran, Saudi Arabia, and the United Arab Emirates. China was represented by Premier Li Qiang and Putin joined virtually.
- In their [Summit Joint Declaration](#), leaders expressed “serious concerns about the rise of unilateral tariff and non-tariff measures which distort trade and are inconsistent with WTO rules” but the U.S. was not mentioned by name. The declaration also included commitments on the BRICS Cross-Border Payments Initiative to support intra-BRICS trade and reaffirmed their opposition to the EU’s Carbon Border Adjustment Mechanism.

U.S. TARIFFS LATEST

Vietnam is the latest deal announced

- On 2 July 2025, U.S. President Trump announced via social media a trade deal with Vietnam setting a 20% U.S. tariff on Vietnamese imports (down from the 46% reciprocal tariff announced on April 2nd) while Vietnam would apply 0% tariffs on U.S. imports. No further information has been published by the U.S. government since the social media post.

Liberation Day 2.0 tariffs

- On 7 July 2025, President Trump announced a further delay to the implementation of reciprocal U.S. tariffs. Originally due to enter into force on 9 July following the 90-day pause, the tariffs have now been postponed until 1 August 2025 via [Executive Order](#).
- Countries have until that date to finalise trade agreements with the U.S. or face new additional tariff rates based on the 2 April 'Liberation Day' levels. The U.S. administration has sent letters to a number of countries informing them of their new tariff rates, which for some differed from the 2 April rates. These include:

Country	2 April tariff rate	7 July tariff rate
Bangladesh	37%	35%
Bosnia and Herzegovina	35%	30%
Cambodia	49%	36%
Indonesia	32%	32%
Japan	24%	25%
Kazakhstan	27%	25%
Korea	25%	25%
Laos	48%	40%
Malaysia	24%	25%
Myanmar	44%	40%
Serbia	37%	35%
South Africa	30%	30%
Thailand	36%	36%
Tunisia	28%	25%

- The letters state that these tariffs will be “separate from all sectoral tariffs”, suggesting that these country-specific tariffs will not stack on top of the Section 232 tariffs on products such as automobiles and steel. However, this will need to be confirmed as part of any implementation guidance published by U.S. Customs and Border Protection.

Canadian consultation on domestic supply chain

- The Canadian government is soliciting information from Canadian producers on their ability to produce certain products subject to short supply chains as part of their assessment of tariff remission requests. Comments can be [submitted](#) until 15 July 2025.

Automotive rules of origin

- The U.S. International Trade Commission (USITC) has published its second report on the [Economic Impact and Operation of the USMCA Automotive Rules of Origin](#). Beyond its economic findings, the report identifies several technological changes in the United States that have led to divergences in the tariff classification or tariff treatment of similar goods under the US-Mexico-Canada Agreement (USMCA) automotive rules of origin (ROOs). This issue is likely to be discussed as part of the forthcoming review of the USMCA.

U.S. still the largest trader of services

- According to the U.S. International Trade Commission's [Recent Trends in U.S. Services Trade: 2025 Annual Report](#), the U.S. remained the world's largest services market and the leading exporter and importer of services in 2023. This year's report focuses on trade in professional services, including accounting and auditing, advertising, architecture and engineering, education, legal, and management consulting services.

FREE TRADE AGREEMENTS

EFTA-MERCOSUR finalise FTA

- On 2 July 2025, the European Free Trade Association (EFTA - Switzerland, Norway, Iceland, and Liechtenstein) [concluded](#) trade negotiations with MERCOSUR member states (Argentina, Brazil, Paraguay, and Uruguay). The agreement will cover trade in goods, trade in services, investment, intellectual property rights, government procurement, competition, rules of origin, trade defence, sanitary and phytosanitary measures, technical barriers to trade, and legal and horizontal issues including dispute settlement. It will also include a chapter on trade and sustainable development. The agreement must now undergo legal scrub, signature and ratification by both sides before it can enter into force.

EU-Malaysia relaunch FTA negotiations

- The EU and Malaysia have held the [first round](#) of negotiations on a free trade agreement following the announcement in January 2025 of the resumption of negotiations since they were suspended in 2012.

CARBON BORDER ADJUSTMENT MECHANISM (CBAM)

EU consultation on the future of EU CBAM

- The EU has launched a [consultation](#) on the future of the EU CBAM. The consultation covers three elements:
 - **Inclusion of downstream products.** The Commission is looking at whether to extend the EU CBAM to cover products primarily made from CBAM-covered materials (i.e., automotives and automotive components which are made of steel and aluminium). Currently, the only intermediate products included in the scope of CBAM are screws, nuts, and bolts. Any decision to extend the mechanism to downstream products will be based on similar criteria used for the original scope, including carbon leakage risk, tradability, amount of embedded emissions, and technical feasibility.
 - **Additional anti-circumvention measures.** The Commission is considering whether any additional measures or penalties are needed in order to prevent companies from circumventing the regime.
 - **Rules for electricity.** The Commission is aiming to simplify and clarify existing rules on the use of electricity in CBAM reporting and electricity trading. The consultation also covers the scope and use of different Power Purchase Agreements.
- Businesses have until 26 August 2025 to respond.

NEW UK TRADE STRATEGY

- On 26 June 2025, the UK Government published its new [Trade Strategy](#). The aim of the strategy is an attempt to apply a more “hard-headed trade diplomacy” in recognition of the volatile international trading environment with U.S. tariffs and potential retaliation by other trading partners while also improving government support for UK traders.

WORLD TRADE ORGANIZATION

Latest WTO trade data

- The WTO's [Goods Trade Barometer](#) showed global goods trade surged in the first quarter to 103.5 up from 102.8 in March as a result of continued US tariff policy uncertainty. However, forward-looking new export orders index fell to 97.9, pointing to weaker trade growth later in the year. This trend is confirmed in the WTO's latest [Trade Monitoring Update](#), which recorded an unprecedented rise in new trade-restricting measures between October 2024 and May 2025.

Trade-related Intellectual Property Rights

- The WTO's Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS) met on 26-27 June. WTO members engaged in discussions on various intellectual property (IP) issues, including technology transfer, patent information, and trade-related IP data. Long-standing differences between WTO Members remain over the appropriate balance between IP protection and flexibilities. Members were also updated on recent notifications submitted under various provisions of the TRIPS Agreement.

Technical Barriers to Trade

- During the Technical Barriers to Trade (TBT) Committee week held from 24 to 27 June, WTO members discussed development-related issues, the role of technical assistance in supporting implementation of the TBT Agreement, and ways to enhance transparency and engagement on regulatory measures. The session included an information session by private sector participants on how they use the WTO's [ePing](#) tool to track different product regulations at a country-level.

Read ICC's latest [study](#) on the impact of WTO collapse on developing economies – underscoring the urgency of WTO reform.

This 2025 report commissioned by ICC and conducted by Oxford Economics is the second in a two-part series. While the 2024 study outlined the risks of a WTO breakdown for developing economies across regions, the latest report provides detailed, country-level analysis across ten economies — Brazil, Cameroon, China, Egypt, Guatemala, India, Indonesia, South Africa, Türkiye, and Vietnam. Together, the findings confirm that a collapse of the WTO would have devastating and far-reaching consequences.

ICC IN THE NEWS

- [Trump threatens extra 10% tariff on nations siding with Brics](#), BBC World News, 7 July 2025
- BBC Radio 5's [‘Wake Up to Money’](#) (11:57-21:00)
- BBC Radio 4's [‘Today’ programme](#) (16:36-20:40)

- [ICC expands Principles for Sustainable Trade Finance to include social impact and supply-chain solutions](#), 2 July 2025
- [Joint Statement by ICC and WTO heads](#), 30 June 2025
- [ICC statement on EU proposals to strengthen global trading system](#), 30 June 2025
- [Trump's tariff war and aid cuts threaten poorest nations' recovery](#), Financial Times, 29 June 2025

WHAT WE'RE READING

- The International Trade Centre (ITC) has launched its revised [Export Potential Map 2.0](#) that tracks both potential export markets and products. Definitely check out this tool if you're looking at potential international expansion opportunities.
- Devon Whittle (former Australian trade negotiator) has compiled a list of [Six Suggestions to improve the CPTPP](#).
- The OECD has published a [new report](#) looking at the impact of environmental labelling and standards on trade of environmental goods.

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