

# FAQ

## US Tariffs

7.08.2025



# U.S. "Liberation Day" Tariff Developments

Date	Action
April 2, 2025	Trump announced "reciprocal tariffs" under IEEPA. A universal <b>10% tariff</b> began on <b>April 5</b> , with higher specific rates also announced.
May 25, 2025	A <b>50% reciprocal tariff</b> on EU goods was proposed, scheduled to start on July 9, but later postponed to August 1.
July 27, 2025	The EU and U.S. reached a <u>framework deal</u> : tariffs on most EU exports would be capped at <b>15%</b> , down from the previously threatened 30%.
July 31, 2025	Trump signed an <u>executive order</u> formalizing new global tariff rates set to go into effect <b>on August 7, 2025</b> .

# Tariff application as of August 7, 2025

- **Before:** 2.5% MFN + 25% additional tariff = **27.5% total** → **Now: 15% total.**
- **Before:** MFN alone was 18% → **Stays at 18%**
- **Before:** MFN was 0% and the product was targeted by additional US tariff of 10% → **Now: increased to 15% total.**

# EXAMPLE: IMPACT OF NEW U.S. TARIFFS ON EUROPEAN COTTON T-SHIRTS (HTS 6109.10)

## 1. 15% Baseline Tariff (Effective August 7, 2025)

Applies to all EU textile imports, including cotton T-shirts (HTS 6109.10).

Duty rate is above 15% (MFN 16.5% for most cotton apparel), no change.

Total duty as of August 7: 16.5% for standard EU shipments of 6109.10.

## 2. De Minimis No Longer Applies (Effective August 29, 2025)

From August 29 onwards, EU shipments under \$800 will no longer qualify for duty-free entry. They will thus be subject to the same duties as all other EU products.

For international postal shipments, transportation carriers have the choice of collecting duties by applying:

- a) the existing tariff rate per package (i.e. 16.5% for 6109.10), or
- b) a specific duty sum per package, which will be of USD 80 per package for EU goods, only until March 1, 2026.

# US De Minimis Abolition - Worldwide

From August 29 onwards, shipments entering the United States under USD 800 will no longer qualify for **duty-free entry**. They will thus be subject to the same duties as all other incoming products, based on their country of origin.

For international postal shipments, transportation carriers have the choice of collecting duties by applying:

- a) the existing tariff rate per package, or
- b) a specific duty sum per package, available only until March 1, 2026.

After March 1, 2026, only method a) will be accepted. Specific duty sums per package are calculated as follows:

- (i) Countries with an effective base tariff rate of less than 16 percent: \$80 per item;
- (ii) Countries with an effective base tariff rate between 16 and 25 percent (inclusive): \$160 per item;
- (iii) Countries with an effective base rate above 25 percent: \$200 per item.

# Transshipment Penalty

## Transshipment Duty

To prevent countries from evading duties by routing goods through nations with lower tariff rates, such shipments will be subject to an additional 40% ad valorem duty.

**Example:** Garment made in Bangladesh using Chinese fabric, with minimal sewing or finishing.

 **Total Tariff** = Duty Rate + 40% Transshipment Penalty

The move is aimed at avoiding tariff evasion by mislabeling Chinese-origin goods. It can apply to final products as well as to goods made with significant Chinese materials, if the U.S. authorities deem the transformation is not sufficient.

Textile manufacturing advice if involved in manufacturing or sourcing from China:

- **Track the origin of all inputs.**
- **Maintain documentation to prove substantial transformation according to the U.S. system.**

# Country-specific rate

Country	April 2nd Rate	August 7th Rate	Change	Announced "Deal" as of August 1, 2025?
Afghanistan	10%	15%	+5%	
Algeria	30%	30%	0%	
Angola	32%	15%	-17%	
Bangladesh	37%	20%	-17%	
Bolivia	10%	15%	+5%	
Bosnia and Herzegovina	35%	30%	-5%	
Botswana	38%	15%	-23%	
Brunei	24%	25%	+1%	
Cambodia	49%	19%	-30%	
Cameroon	12%	15%	+3%	
Chad	13%	15%	+2%	
Costa Rica	10%	15%	+5%	
Côte d'Ivoire	21%	15%	-6%	
Democratic Republic of the Congo	11%	15%	+4%	
Ecuador	10%	15%	+5%	
Equatorial Guinea	13%	15%	+2%	
European Union	20%	15%**	-5%**	Yes
Falkland Islands	42%	10%	-32%	
Fiji	32%	15%	-17%	
Ghana	10%	15%	+5%	
Guyana	38%	15%	-23%	
Iceland	10%	15%	+5%	
India	27%	25%	-2%	
Indonesia	32%	19%	-13%	Yes
Iraq	39%	25%	-14%	
Israel	17%	15%	-2%	
Japan	24%	15%	-9%	Yes
Jordan	20%	15%	-5%	
Kazakhstan	27%	25%	-2%	
Laos	48%	40%	-8%	
Lesotho	50%	15%	-35%	
Libya	31%	30%	-1%	
Liechtenstein	37%	15%	-22%	
Madagascar	47%	15%	-32%	

# Country-specific rate

Malawi	18%	15%	-3%	
Malaysia	24%	19%	-5%	
Mauritius	40%	15%	-25%	
Moldova	31%	25%	-6%	
Mozambique	16%	15%	-1%	
Myanmar (Burma)	44%	40%	-4%	
Namibia	21%	15%	-6%	
Nauru	30%	15%	-15%	
New Zealand	10%	15%	+5%	
Nicaragua	19%	18%	-1%	
Nigeria	14%	15%	+1%	
Norfolk Island	29%	10%	-19%	
North Macedonia	33%	15%	-18%	
Norway	16%	15%	-1%	
Pakistan	30%	19%	-11%	
Papua New Guinea	10%	15%	+5%	
Philippines	17%	19%	+2%	Yes
Reunion	37%	10%	-27%	
Saint Pierre and Miquelon	50%	10%	-40%	
Serbia	38%	35%	-3%	
South Africa	30%	30%	0%	
South Korea	25%	15%	-10%	Yes
Sri Lanka	44%	20%	-24%	
Switzerland	32%	39%	+7%	
Syria	41%	41%	0%	
Taiwan	32%	20%	-12%	
Thailand	36%	19%	-17%	
Trinidad and Tobago	10%	15%	+5%	
Tunisia	28%	25%	-3%	
Turkey	10%	15%	+5%	
Uganda	10%	15%	+5%	
Vanuatu	23%	15%	-8%	
Venezuela	15%	15%	0%	
Vietnam	46%	20%	-26%	Yes
Zambia	17%	15%	-2%	
Zimbabwe	18%	15%	-3%	

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