

ICC Global Trade Update

12 May 2025

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

IN THIS UPDATE

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- Free Trade Agreements (FTAs): New deals and negotiations
- Latest at the World Trade Organization (WTO)
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U.S. TARIFFS LATEST

U.S. negotiations with trading partners underway during 90-day pause

- **U.S.-UK:** On 8 May 2025, the U.S. and UK announced an agreement on [General Terms](#) following a press conference in the Oval Office by President Trump.
 - This is the first deal announced since President Trump announced the so-called “reciprocal tariffs” on 2 April 2025.
 - While not finalised, the deal does include details on proposed tariff-rate quotas for steel and aluminium products and a commitment for preferential treatment under future Section 232 investigations which are still ongoing. The deal also provides new agricultural market access for beef and U.S. ethanol.
 - However, the deal appears to leave the new U.S. baseline tariff of 10% in place.
 - Both sides have also agreed to tackle bilateral non-tariff barriers and increase cooperation on economic security.
 - Both sides are working to reach a final agreement as soon as possible and provide necessary clarity on questions that businesses have raised about the application of the measures indicated in the General Terms.

- **U.S.-China:** On 11 May, the U.S. and China announced that an initial agreement had been reached after negotiations between the two sides that took place in Switzerland. The [Joint Statement](#) issued the following day announced a 90-day de-escalation, during which the U.S.'s "reciprocal tariffs" and China's retaliatory tariffs were suspended while negotiations are underway. However, the U.S. baseline tariff of 10%, IEEPA fentanyl tariffs of 20% and various tariffs under Section 301 and Section 232 tariffs remain in place. The U.S. issued the necessary [Executive Order](#) on 12 May to give effect to the agreement. Meanwhile, China has maintained a 10% tariff on U.S. imports.

New Section 232 investigation

- On 5 May, the U.S Department of Commerce launched a new Section 232 [investigation](#) into imports of commercial aircraft and jet engines and parts for commercial aircraft and jet engines.

Potential tariffs on films

- On 4 May, President Trump announced via Truth Social that he would be imposing a 100% tariff on foreign films entering the U.S., citing unfair subsidisation by the U.S.'s trading partners. While the formal notice has not been published, it is understood that the relevant U.S. government departments have initiated work. Imposing tariffs on a services import into the U.S. would raise systemic challenges for the trading system and practical challenges for Customs.

EU announces potential retaliation list and approves French exporter support

- The European Commission has launched a [public consultation](#) on a list of US imports which could become subject to EU countermeasures if ongoing EU-US negotiations fail. The proposed measures include both products that would face retaliatory tariffs and certain products – such as scrap metals – that would be subject to export restrictions. The consultation remains open until 10 June 2025.
- Separately, the European Commission has [approved](#), as part of EU State Aid rules, a French scheme worth 5 billion euros providing re-insurance for export credit of French wine and spirits exported to the U.S.

Malaysia announces new non-preferential rules of origin procedures

- The Malaysian Ministry for Investment, Trade and Industry (MITI) has [announced](#) new rules on non-preferential rules of origin for exports to the U.S. Effective from 6 May 2025, MITI will be solely responsible for issuing all certificates of origin for exports to the United States.

Chambers, business councils and trade associations previously appointed by MITI may no longer issue such certificates.

FREE TRADE AGREEMENTS

UK-India FTA

- On 6 May 2025, the UK and India concluded a [Free Trade Agreement \(FTA\)](#). This is the UK's third post-Brexit bilateral trade deal with a country that did not previously have a preferential trading relationship with the EU, following agreements with Australia and New Zealand in 2022. It is India's third following agreements with Australia and the United Arab Emirates in recent years.
- The full text of the FTA has yet to be made publicly available. However, several areas have already been [announced](#), including preferential tariff access, mobility arrangements, and digital trade commitments. The agreement is expected to enter into force once the necessary ratification procedures have been completed on their respective sides.

Singapore-Pacific Alliance FTA

- On 5 May, the Singapore-Pacific Alliance FTA [entered into force](#) for three of the five partner countries – Singapore, Peru and Chile. The agreement will enter into force for Colombia and Mexico upon the completion of their ratification procedures.

WORLD TRADE ORGANIZATION

Registration for the WTO Public Forum opens

- The WTO opened online registration for this year's Public Forum, which will take place 17-18 September. The Public Forum is the WTO's largest annual outreach event. This year's edition, titled "Enhance, Create and Preserve", will focus on digital trade.



As in previous years, ICC will be organising a dedicated event for our members alongside the WTO Public Forum. Further details will follow soon.

If you're thinking about attending the Public Forum, please let us know and complete the [online registration form](#) by 22 August 2025.

WTO Director General discusses WTO reform

- At a meeting of the WTO's [Trade Negotiation Committee](#) (the WTO's highest level negotiating body), the WTO Director General Okonjo-Iwela said that there is "broad agreement" among WTO members that repositioning and reform of the organisation must be a central priority for the 14th Ministerial Conference (MC14) due to take place in March

2026. The TNC also received reports from each of the respective negotiating Chairs on recent progress.

WTO Information Technology Agreement

- The participants in the WTO's [Information Technology Agreement](#) (ITA) and ITA Expansion met on 7 May to agree on a programme of discussions. The future programme includes discussions on expanding participation in the ITA' and exploring new analytical work, such as studying the agreement's impact on advancing AI and e-commerce. Members also discussed how to address classification challenges in tariff schedules for 22 IT products.

A NEW PLURILATERAL TO ADDRESS NON-TARIFF BARRIERS

- The New Zealand government has opened a [public consultation](#) on a new initiative to launch open plurilateral negotiations to address non-tariff barriers. The consultation is open until 1 July 2025. The stated aims of the arrangement would be for New Zealand to take a “fresh approach” to address non-tariff barriers by bringing together economies interested in promoting free and open trade.

ICC IN THE NEWS

- **The Times, 8 May 2025** - [Carmakers and engineers cheer UK-US trade deal](#)
- **The Times, 8 May 2025** - [US-UK trade deal amounts to a U-turn with few benefits](#)
- **Reuters, 8 May 2025** - [Instant View: Trump heralds 'breakthrough' deal with UK](#)
- **The Guardian, 8 May 2025** - [UK politics: Tariffs cut on UK cars, steel and aluminium in US trade deal, says Starmer – as it happened](#)
- **The Guardian, 8 May 2025** - [Trump and Starmer confirm 'breakthrough' US-UK trade deal](#)
- **Spiegel, 9 May 2025** - [Donald Trump: Trade agreement with Great Britain without clear winners](#)
- **First Post, 9 May 2025** - [Trump, Starmer formally confirm US-UK Trade Deal to Avert the Horrors of Tariffs](#)
- **Sky News, 12 May 2025** - [Trump hails 'total reset' with China as trade tariffs slashed](#)
- **BBC News, 12 May 2025** - [US says 'deal' reached with China after trade talks](#)
- **Forbes, 12 May 2025** - [Turning The Economic Clock Back' To Early 1900s: ICC Director Reacts To U.K. And China Trade Deals](#)
- **BBC Radio 4, 12 May 2025** - [Today](#) (at timestamp 17:37)
- **BBC Radio 5, 12 May 2025** - [Wake Up To Money](#) (at timestamp 09:40)
- [ICC leadership joins B20 South Africa task forces](#)

WHAT WE'RE READING

- New OECD report into the cost of global trade in counterfeit goods. According to the new report [*Mapping Global Trade in Fakes 2025*](#) counterfeiting spans nearly 50 of the 96 product categories tracked, including pharmaceuticals, automotive components, fertilisers, and food.

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