

TRUMP STRIKES DEAL WITH ALLY JAPAN SETTING TARIFF RATE

Flurry of trade deals offers relief for some Asian nations

● US-Philippines trade talks yield modest tariff shift

AGENCIES
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US PRESIDENT DONALD

Trump has announced trade deals with Japan and a handful of other Asian countries that will relieve some pressure on companies and consumers from sharply higher tariffs on their exports to the United States.

A deal with China is under negotiation, with US Treasury Secretary Scott Bessent saying an August 12 deadline might be postponed again to allow more time for talks.

Steep tariffs on US imports of steel and aluminum remain, however, and many other countries, including South Korea and Thailand, have yet to clinch agreements. Overall, economists say the tariffs inevitably will dent growth in Asia and the world.

The deals reached so far, ahead of Trump's August 1 deadline Trump and Japanese Prime Minister Shigeru Ishiba announced a deal Wednesday that will impose 15% tariffs on US imports from Japan, down from Trump's proposed 25% "reciprocal" tariffs.

It was a huge relief for automakers like Toyota Motor Corp and Honda, whose shares jumped by double digits in Tokyo. Trump also announced trade deals with the Philippines and Indonesia.

After meeting with Philippine President Ferdinand Mar-



Ishiba & Trump at the White House on Friday

KEY TAKEAWAYS

- Japan will buy 100 Boeing planes and hike defence spending with US firms to \$17 bn annually, from \$14 bn
- Japan's auto sector, which accounts for over a quarter of its US exports, will see existing tariffs cut to 15% from levies totaling 27.5% previously
- A deal with China is under negotiation, with US Treasury Secretary saying an August 12 deadline might be postponed again

cos, Jr, Trump said the import tax on products from his country would be subject to a 19% tariff, down just 1% from the earlier threat of a 20% tariff. However, it still remains above the 17% rate set in April when Trump announced what he called reciprocal tariff rates for dozens of countries.

Indonesia also will face a 19% tariff, down from the 32% rate Trump had recently said would apply, and it committed to eliminating nearly all of its trade barriers for imports of American goods.

Earlier, Trump announced that Vietnam's exports would face a 20% tariff, with double that rate for goods transshipped from China, though there has been no formal announcement.

Talks with China may be extended

Negotiations with China are subject to an August 12 deadline, but it's likely to be extended, Bessent told Fox Business on Tuesday. He said the two sides were due to hold another round of talks, this time in Sweden, early next week.

PM Ishiba vows to stay on despite election loss

JAPANESE PRIME MINISTER Shigeru Ishiba denied on Wednesday he had decided to quit after a source and media reports said he planned to announce his resignation to take responsibility for a bruising upper house election defeat.

Asked about media reports that he had expressed his intention to step down as early as this month, Ishiba

told reporters at party headquarters on Wednesday:

"I have never made such a statement...The facts reported in the media are completely unfounded." The reports came after Ishiba and Trump unveiled a trade deal on Tuesday that lowers tariffs on imports of Japanese autos and spares Tokyo from punishing new levies on other goods. —REUTERS

Meanwhile, Trump said a trip to China may happen soon, hinting at efforts to stabilise US-China trade relations.

Japan vows more US rice imports

Japan will import more rice from the United States but within the existing tariff-free quota, Prime Minister Shigeru Ishiba said on Wednesday, stressing Tokyo's success in

protecting the agricultural sector in agreeing a bilateral trade deal. After months of negotiations, the two countries struck a deal to lower the so-called "reciprocal tariffs" to 15% from a proposed 25%, and said increased rice shipments from the U.S. to Japan was part of that deal. Under a WTO "minimum access" framework introduced in 1995, Japan imports about 770,000 metric tons of rice tariff-free every year.