

New Trade Deals with Japan, Indonesia, and the European Union Announced

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In the last week, the Trump Administration announced new trade deals with Japan, Indonesia, and the European Union. The White House has now published fact sheets for all three trade deals, outlining the basic structure of the agreements. The three deals are summarized below:

Japan:

Deal announced July 22, 2025.

Fact Sheet published July 23, 2025.

- The US will impose 15% tariffs on imports from Japan, a decrease from the 25% rate threatened by the Administration on [July 7](#).
- Japan has committed to the investment of over \$550 billion in US industries, including energy, semiconductors, critical minerals, pharmaceuticals, and shipbuilding.
- Japan has committed to the purchase of \$8 billion in US goods, including corn, soybeans, fertilizer, and bioethanol.
- Restrictions on imports of US goods into Japan, namely agricultural goods and cars and trucks, will be loosened.

The US and Japan are also considering an agreement on the extraction of Alaskan liquefied natural gas. Notably, many of the industries targeted for investment by Japan are those which have ongoing Section 232 or Section 301 investigations, discussed in Kelley Drye's previous blog posts [here](#) and [here](#).

Indonesia:

Deal announced July 22, 2025.

Fact Sheet Published July 22, 2025.

- The US will impose 19% tariffs on imports from Indonesia, down from the 32% threatened by the Administration on [July 7](#).
- Indonesia has committed to the elimination of tariff barriers on large swaths of US products, including agricultural products, health products, information and communications technology, automotive products, and chemicals.

- Indonesia has also committed to addressing non-tariff trade barriers that impact US industrial and agricultural exports, including exemptions from import licensing for US food and agricultural products, recognition of US regulatory certificates, and working towards resolution of intellectual property issues identified by USTR.
- Indonesia has committed to removal of restrictions on exports to the United States for all industrial commodities, including critical minerals.
- The two countries will finalize an agreement on digital trade, services, and investment, including the suspension of tariffs on “intangible products” imposed by Indonesia and supporting the moratorium on customs duties on electronic transmission before the World Trade Organization.
- Indonesia has committed to adopt and implement a forced labor import ban and repeal laws that restrict workers from exercising collective bargaining rights.

The two countries are continuing to discuss deals in the agricultural, aerospace, and energy sectors.

The European Union:

Deal announced July 27, 2025.

Fact Sheet published July 28, 2025.

- The US will impose 15% tariffs on imports from the EU, down from the 30% rate threatened by the Administration on July 11.
- The EU has committed to the investment of \$600 billion in US industries (industries are not yet named) and the purchase of \$750 billion in US energy exports. The EU has also committed to the purchase of US military equipment.
- The EU has committed to the reduction of non-tariff trade barriers which impact US industrial and agricultural exports.
- Both countries will maintain zero customs duties on electronic transmissions and the EU has committed to not adopting network usage fees.
- The EU has committed to the elimination of tariffs in various sectors (sectors not yet named) and the use of import quotas for other products to increase US market access.

Many details of the deals are still to be finalized, including the sectors and industries that will be targets for investment and reduced tariffs. And while the announced terms mark a major shift from back-and-forth tariff announcements for these and other trading partners with deals, the final form of any “agreement” raises a number of significant questions. For example, will negotiations continue on some of the most sensitive, long-term trade disputes between the US and its major partners, many of which are not addressed by these framework deals? Could the White House decide to revisit basic terms such as the US tariff rate if further negotiations on the details, implementation terms, and/or enforcement mechanisms hit a rough patch? Will the final form of these “executive agreements” be subject to Congressional approval?

It is also notable that both the Japan and EU deals land on 15% tariffs, despite the differences in the initially determined tariff rates, threatened retaliations, and the course of negotiations. Coincidentally, 15% is the maximum tariff rate the President could impose under Section 122 of the

Trade Act of 1974 should the ongoing IEEPA litigation result in the Administration being barred from using that law to impose tariffs. And on July 28, while meeting with UK Prime Minister Keir Starmer in Scotland, President Trump again floated the idea of a new baseline for global reciprocal tariffs that could increase from the current 10% to land at 15% or even 20%. As negotiations with other trading partners continue, it will be worth watching to see if 15% continues to appear as a landing point.

Kelley Drye is continuing to monitor as the Trump Administration continues its negotiations and additional details on these and other trade deals emerge. Should you have any questions about how deals such as these may impact your business, please reach out to Kelley Drye's [International Trade team](#).