

EXECUTIVE ORDER BY PRESIDENT TRUMP ON 16 JUNE 2025 - IMPLEMENTING THE ECONOMIC PROSPERITY DEAL (EPD) WITH THE UK

The new [Executive Order](#) made by the US President on 16 June provides new clarity on timelines on tariff reductions provided for in the General Heads of Agreement within the Economic Prosperity Deal (EPD) made between the UK and US on 8 May 2025. It follows an agreement reached by the Prime Minister and the President on 16 June on implementing the EPD.

What does it do?

- Provides for the introduction of the lower 10% rate for automotive exports from the UK to the US within the scope of the quota before the end of the month. Will apply to vehicles in heading 8703 of HTSUS and note 33 (b), subchapter 11, chapter 99 HTSUS.
- Automotive exports from the UK to the US in excess of the quota will face tariffs at the rate of 27.5%.
- Specifies the category of UK automotive parts also subject to the lower 10% US tariffs by the end of June.
- Ensures that Rolls Royce jet engine imports from the UK will be tariff free for the US by the end of this month.
- Clarifies the conditions required to be met by the UK prior to the tariff rate quota on steel and aluminium and certain derivative products being introduced by the US.

What's next?

- Executive Order will be published in the Federal Register likely by end of this week.
- US Commerce Secretary to make amendments to US tariff code (HTSUS) within 7 days of publication of the Executive Order in the Federal Register – reduced duties on automotive vehicles within scope of the quota and zero duty on jet engines of UK origin will apply from this date.
- Triggers implementation of zero tariffs on UK jet engines exported to the US.
- Annual US quota of 100,000 vehicles subject to lower rate of 10% will apply to the UK, backdated to 8 May 2025.
- Definition of automotive parts covers all automotive parts of UK origin for use in UK origin automotive vehicles – all imported parts of passenger vehicles (sedans, sport utility vehicles, crossover utility vehicles, minivans, and cargo vans) and light trucks as specified in note 33 (g), subchapter III, chapter 99 HTSUS. New lower 10% rate will apply from date of publication in the Federal Register.
- Lower 10% rate will not apply to UK imports of automotive parts into the US which would go into non-UK origin automotive vehicles. These would be subject to the higher duty rates. US Customs and Border Protection will need to develop guidance on distinguishing between UK auto part imports with distinct usages. The US Administration is still working on a rebate scheme for US car manufacturers in terms of duty costs on certain imported auto parts going into US production supply chains.

- UK progress needs to be evaluated (initially by 9 July in terms of the 3 June [Proclamation](#)) on ensuring national security concerns are reflected in supply chains on UK produced steel and aluminium products destined for the US market, and the nature of ownership of relevant production facilities in the UK.
- UK steps on addressing US national security concerns in relation to pharmaceutical supply chains necessary to operationalise protections in the EPD on favoured status for the UK on avoiding and future US pharmaceutical product tariffs under section 232.
- Further negotiations on implementation of provisions of EPD on steel and aluminium products in terms of drawing up quotas, and treatment of those derivative products in scope.
- UK Government to lay secondary legislation before Parliament to implement its EPD commitments to the US Administration in terms of new quotas for ethanol (1.4bn litres per annum) and non-hormone treated beef imports from the US (13,000 metric tonnes per annum).

BCC position:

- Welcome the implementation by the end of June of the parts of the EPD relating to US duties on automotive vehicles, automotive parts, and aerospace jet engines.
- Will mean lower duties, lower costs, supply chain security, and protection for thousands of UK jobs in key industrial sectors.
- Definition of automotive parts in scope provides strong certainty within UK supply chains.
- Seek resolution of outstanding issues (hopefully by 9 July) on steel and aluminium quotas.
- Make case for all derivative products of steel and aluminium of UK origin to be within scope of zero tariff arrangements under the quotas to be developed.
- Back further negotiations to ensure other goods sectors are not left behind, building upon the EPD to reduce tariffs subject to the reciprocal tariff rate applicable to the UK of an additional 10% duty since 5 April .
- Negotiate a strong digital trade deal with the US, lowering costs, time and complexity of goods moving across the Atlantic.
- Our [press release](#) on the Executive Order.

BCC engagement:

- Regular contact with DBT Director of UK-US negotiations, Graham Floater, and Special Advisers within DBT, HMT and No 10.
- For further information contact BCC Head of Trade Policy William Bain at w.bain@britishchambers.org.uk

