



AMCHAM  
GUATEMALA  
AMERICAN CHAMBER OF COMMERCE

# USA OUTLOOK

WEEKLY NEWSLETTER  
JULY 07 TO JULY 11



Photo: Reuters

## Trump tariffs: Japan, South Korea and others react to new rates as EU aims to reach deal - as it happened

U.S. President Donald Trump significantly escalated his global trade policy by announcing a 50% tariff on imported copper and signaling that new tariffs on semiconductors and pharmaceuticals are imminent. During a White House cabinet meeting, Trump confirmed that tariffs would apply to imports from 14 countries, with an additional 15 to 20 nations to be added soon. He emphasized that the deadline for implementing these new tariffs is August 1 and that it will not be moved.

These announcements sparked immediate economic reactions. U.S. copper futures surged more than 10% following the news, while pharmaceutical stocks dropped due to the threat of a 200% tariff on drug imports. Treasury Secretary Scott Bessent projected that Washington's annual tariff revenue could reach \$300 billion by the end of the year, a dramatic increase from the approximately \$80 billion seen in recent years.

Several major trading partners responded swiftly. Japan, which is facing a 25% tariff, stated through its top trade negotiator, Ryosei Akazawa, that it would seek concessions for its auto industry while refusing to compromise its agriculture sector. South Korea, also targeted with a 25% tariff, said it plans to intensify negotiations in the coming weeks in hopes

Source:

<https://www.reuters.com/world/trump-tariffs-live-us-president-threatens-brics-with-extra-10-levy-2025-07-07/>

## Japan vows to seek U.S. auto tariff concessions in trade talks

On July 8, 2025, Japan's chief trade negotiator Ryosei Akazawa stated that any trade agreement with the U.S. must include concessions on auto tariffs, following President Trump's announcement of a 25% tariff on Japanese goods starting August 1. After a phone call with U.S. Commerce Secretary Howard Lutnick, both sides agreed to continue active negotiations on a broader deal covering trade, non-tariff barriers, and economic security.

Akazawa emphasized that Japan would not sacrifice its agriculture sector for a quick deal and that there is no point in moving forward without an agreement on auto tariffs. Despite Trump's fixed deadline, Japan does not see August 1 as binding.

The announcement added pressure to Japan's weakening economy, already contracting in the first quarter. Market uncertainty caused the yen to drop and reduced expectations of a near-term interest rate hike by the Bank of Japan. With elections approaching on July 20, Prime Minister Shigeru Ishiba has vowed not to make easy concessions, further complicating negotiations.



Source:

<https://www.reuters.com/business/japan-will-continue-trade-talks-with-us-pm-ishiba-says-2025-07-08/>



Photo: Reuters

## Trump says U.S. interest rate is at least 3 points too high

U.S. President Donald Trump on Wednesday called on the Federal Reserve to lower the federal benchmark interest rate by at least 3 percentage points, renewing his call for the U.S. central bank to lower rates to help reduce the cost to service the nation's debt.

"Our Fed Rate is AT LEAST 3 Points too high. "Too Late" is costing the U.S. 360 Billion Dollars a Point, PER YEAR, in refinancing costs. No Inflation, COMPANIES POURING INTO AMERICA. "The hottest Country in the World!" LOWER THE RATE!!!" Trump wrote on Truth Social.

### Source:

<https://www.reuters.com/world/us/major-aspects-trumps-tax-spending-megabill-2025-07-02/>  
<https://www.reuters.com/world/us/trump-says-us-interest-rate-is-least-3-points-too-high-2025-07-09/>

## Dollar strengthens against peers as Trump rekindles trade tensions; bitcoin hits record high

the U.S. dollar strengthened against major global currencies following President Donald Trump's renewed trade offensive, including a surprise 35% tariff on all Canadian imports set to take effect August 1. Trump also signaled that the European Union would receive similar notification soon and floated the idea of applying blanket 15% or 20% tariffs on other countries, heightening global trade tensions.

In currency markets, the dollar rose 0.79% to 147.4 yen, on track for its biggest weekly gain since December, while the euro edged lower and the Canadian dollar weakened after the Canada tariff news. The broader dollar index also posted a weekly gain, reversing two weeks of losses, supported by signs of a resilient U.S. labor market and Fed minutes that eased expectations of near-term rate cuts.

Despite these gains, some analysts remain cautious, suggesting the dollar could resume its downward trend over the medium term due to broader concerns about the economic fallout from U.S. trade policies. Meanwhile, cryptocurrencies surged, with Bitcoin reaching a record high of \$118,832, driven by renewed institutional interest and optimism over upcoming U.S. crypto legislation. Ethereum also jumped nearly 6%, reflecting strong global risk appetite despite growing trade uncertainty.



### Source:

<https://www.reuters.com/world/middle-east/dollar-rises-loonie-falls-trump-announces-new-tariffs-2025-07-11/>

### Photo: Reuters



Photo: Reuters

## US tariff rate may be more than 20% after latest round, global business

The International Chamber of Commerce (ICC), which represents over 45 million companies in 170 countries, issued a strong warning on July 11, 2025, about the rising cost of U.S. trade protectionism under President Donald Trump. According to the ICC, the effective tariff rate U.S. consumers are now facing could surpass 20%—a level not seen since the early 1900s. This comes after a wave of new tariffs announced by the Trump administration this week, including a 50% tariff on copper imports and the threat of a 200% tariff on pharmaceuticals. Currently, the average U.S. tariff rate is already about 16%, the highest since the 1930s.

Andrew Wilson, deputy secretary general of the ICC, expressed concern over what he called a striking disconnect between the muted reaction in financial markets and the growing alarm among global businesses. While markets have remained relatively stable—especially in contrast to the heavy selloff seen in April when sweeping tariffs were first announced—companies remain deeply worried about the long-term direction of U.S. trade policy.

Wilson suggested that the Trump administration may be using recent tariff announcements to test how high they can raise the effective tariff rate without triggering a negative response from equity and bond markets. He said the administration appears committed to pushing the limits of tariffs as a major tool for both economic leverage and revenue generation.

Treasury Secretary Scott Bessent reinforced this point by stating that the U.S. has already collected around \$100 billion in tariff revenue this year and could reach \$300 billion by the end of 2025. These figures underscore the administration's view of tariffs not just as a tool for trade negotiations, but as a substantial source of government income.

In summary, the ICC's warning highlights growing international concern that U.S. tariffs could reach historic levels, increasing consumer costs and adding pressure on global supply chains—while the Trump administration appears determined to maximize their use for economic and political gains.

► Source:

<https://www.reuters.com/world/china/us-tariff-rate-may-be-more-than-20-after-latest-round-global-business-group-says-2025-07-11/>