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Aston Martin Urges UK to Revisit U.S. Tariff Quota Amid Rising Trade Tensions

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British luxury car manufacturer Aston Martin is urging the United Kingdom government to renegotiate the terms of a recent tariff deal with the United States, citing serious concerns over export limits that could hinder profitability. The company's appeal comes as the U.S. sets a new financial milestone in tariff revenue, generating more than $150 billion over the past six months, while American consumers and businesses absorb the cost.

According to U.S. Department of the Treasury data, income taxes still account for the majority of federal revenue, rising to 51.4% in 2025 from 49.3% in 2024, despite prior suggestions by President Donald Trump that tariffs might one day replace income taxes as the primary funding source for government operations. Social Security and Medicare taxes together made up an additional 34% of total revenue.

However, new data from the nonpartisan Yale Budget Lab indicates that consumers are bearing the brunt of current trade policies. The average effective tariff rate now stands at 20.2%, the highest since 1911. Analysts project these tariffs will raise consumer prices by roughly 2%, translating into an annual cost of $2,700 per household. The overall economic impact is also significant, with real gross domestic product (GDP) growth expected to fall by 0.8% in 2025. Over time, these policies may reduce the U.S. economy by 0.4%, equivalent to about $135 billion annually.

Luxury car brands in the United Kingdom, including Aston Martin, are already feeling the effects. During a call with journalists this week, Aston Martin described the current tariff structure as “extremely disruptive” and downgraded its financial forecast, now expecting to break even instead of posting an operating profit. The primary concern is the quarterly export cap: the U.S. will allow only 25,000 vehicles from the UK at the 10% tariff rate. Any additional shipments face a steep 27.5% rate. This cap applies collectively to British automakers, including Bentley, Jaguar, Land Rover, and McLaren, making competition for those limited slots intense.

Aston Martin Chief Executive Officer Adrian Hallmark called on the UK government to act, saying, “We continue to actively engage the UK government to urge them to improve the quota mechanism to ensure fair access for the whole UK car industry to the 10% rate on an ongoing basis.” Earlier in the year, the company had already responded by scaling back shipments to the U.S. and raising prices.

The broader context underscores the significance of U.S.-UK trade in the automotive sector. The United States remains the UK’s largest single trading partner, with total trade between the two nations reaching £314.6 billion ($416.8 billion) in 2024, a nearly 4% increase from the prior year. Automotive exports are particularly important: the UK exported £9.0 billion ($12 billion) in vehicles to the U.S., representing nearly a quarter of all British car exports and 5% of total UK exports to the U.S.

On the European Union side, Germany has also raised concerns. While German auto manufacturers avoided steeper tariffs, President Trump had previously floated a 30% rate; they still face 15% duties. The German Association of the Automotive Industry (VDA) has acknowledged the improvement but stressed that the tariffs will still “cost the German automotive industry billions annually,” according to VDA President Hildegard Müller.

While some economists in the UK have welcomed the current 10% tariff agreement in contrast to the higher rates imposed on the European Union, industry leaders warn that these quotas and duties continue to pose significant challenges to profitability, competition, and long-term growth. The situation remains a test of how far the UK government is willing or able to go in defending its high-end manufacturing sector in a volatile global trade environment.