

UK Car Exports to U.S. Slashed in Half Amid Tariff Turmoil

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— Categories: Economics



UK car exports to the United States were cut in half this May compared to the same period last year, as trade tensions and newly imposed tariffs disrupted a long-standing export route for British manufacturers. The sharp decline followed the introduction of a 25% U.S. tariff on imported vehicles and parts in April, prompting many UK-based carmakers to

pause shipments as the additional cost made their vehicles significantly less competitive in the American market.

The impact was felt most keenly by high-end British brands that rely heavily on U.S. consumers, including Jaguar Land Rover, Bentley, and Rolls-Royce. According to figures from the Society of Motor Manufacturers and Traders (SMMT), exports to the U.S. dropped by more than 55%, contributing to an overall 32.8% decline in UK vehicle production for the month. Industry analysts noted that outside of the COVID-19 pandemic, this represented one of the steepest monthly falls in output since records began in 1949.

Amid mounting concerns from the automotive sector, the UK and U.S. governments reached a limited trade agreement early in May. Under the terms of the deal, the U.S. agreed to lower the tariff to 10% on up to 100,000 UK-manufactured vehicles annually, a significant reduction that, while not eliminating the charge, makes exports more viable for British firms. The agreement also included the removal of U.S. duties on British steel and aluminum, which had been a sticking point in wider trade discussions.

While the announcement of the deal was welcomed by manufacturers and industry bodies, the benefits had yet to materialize by mid-May, when the export data was collected. Many companies were still waiting for the revised tariff terms to come into effect before resuming or expanding shipments.

The figures for May offer a snapshot of how geopolitical decisions can quickly ripple through industrial supply chains. Though the deal provides a route forward, the broader picture remains cautious. Manufacturers are

now watching closely to see how the new terms will play out in practice, and whether U.S. demand for British vehicles will rebound as trade conditions stabilize.