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U.S.-U.K. Trade Deal Comes into Effect, Cutting Key Tariffs on British Exports

June 30, 2025

— Categories: Finance



London/Washington – June 30, 2025 – A new trade agreement between the United States and the United Kingdom officially came into effect on Monday, reducing tariffs on major British exports and opening the door to closer economic cooperation between the two nations.

The deal, signed earlier this month by U.S. President Donald Trump and British Prime Minister Keir Starmer, lowered tariffs on a range of goods. Most notably, tariffs on British car

exports to the U.S. have been cut from 27.5% to 10%, within a set quota. Tariffs on aircraft engines and parts have been removed entirely.

“This is a strong step forward for British industry and jobs,” said Prime Minister Starmer. “We are creating new opportunities for exporters and strengthening our global trade partnerships.”

President Trump called the deal “fair, smart, and good for both countries,” emphasizing that it would help reduce costs for American consumers while encouraging more trade with the U.K.

Boost for Key Industries

The agreement is expected to benefit the U.K.’s automotive and aerospace sectors the most. British carmakers such as Jaguar Land Rover and Aston Martin may now find it easier to compete in the U.S. market. In the aerospace sector, major firms like Rolls-Royce and BAE Systems are likely to see increased demand from American buyers.

Industry leaders welcomed the move, calling it a positive signal for post-Brexit trade and manufacturing growth.

Some Concerns Remain

Despite the positive economic outlook, the deal has faced some criticism. Lawmakers in both countries have raised questions about whether environmental and labor standards could be affected by the tariff cuts.

“There should be clear protections in place to ensure fair competition,” said U.S. Senator Elizabeth Warren.

Trade experts, however, view the agreement as a sign of renewed transatlantic cooperation at a time of shifting global alliances.