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Trump's Tariff Deadline Hits as Universal Rate Hike Looms, Mexico Gets Temporary Reprieve

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The United States is on the brink of a major shift in trade policy as the clock runs out on a self-imposed deadline for countries to reach new trade terms with Washington. President Donald Trump's administration is preparing to implement sweeping tariff increases, potentially raising the baseline import tax on most goods entering the country from 10% to 20%, unless individual trade agreements are reached. In a notable development, Mexico has been granted a 90-day extension, temporarily shielding it from the looming hikes.

The president's tariff strategy aims to protect American industries, reduce the trade deficit, and rebalance long-standing trade relationships that have, according to administration officials, placed undue burdens on U.S. workers and manufacturers. "We are no longer going to let other countries take advantage of American jobs and American wealth," Trump said during a press briefing Tuesday.

The centerpiece of the administration's approach is a new "universal tariff" that would apply to most imported goods in the absence of a bilateral or regional trade agreement. This move is part of a broader strategy to pressure countries into renegotiating trade terms that better align with U.S. economic interests. The rate, currently set at 10%, could increase to as high as 20%, depending on the outcome of internal deliberations.

At the same time, legal questions surrounding the president's authority to unilaterally impose such tariffs reached the federal appeals court this week. A panel of judges expressed skepticism during oral arguments, with some questioning whether Trump had overstepped his executive powers. The case, brought by trade groups and importers, challenges the broad use of Section 232 of the Trade Expansion Act of 1962, which allows tariffs based on national security concerns.

Despite the legal uncertainty, the administration is moving ahead. The Office of the United States Trade Representative (USTR) stated that the universal tariff would provide a "predictable, enforceable foundation for U.S. trade policy moving forward."

While some foreign governments are scrambling to secure agreements ahead of the deadline, others have voiced strong opposition to the policy, warning of retaliatory measures and potential disruptions to global supply chains. However, proponents argue that the short-term friction is necessary to rebuild American manufacturing and reduce dependency on imports.

Mexico, which narrowly avoided the initial wave of tariffs, now faces a three-month window to finalize a deal. Trump noted that "progress has been made" with Mexican officials but emphasized that the pause is conditional on continued cooperation and structural reforms.

The coming days are expected to bring increased pressure on both allies and trade rivals to strike new arrangements. For the Trump administration, the escalating tariff plan represents a cornerstone of its "America First" economic agenda, aimed at asserting U.S. leverage in global commerce while delivering on promises made to American workers.

