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US Trade Tariffs: key changes & initial considerations for Northern Ireland - supplementary

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This Briefing Paper provides an update on changes to US Trade Tariffs since June 2025 and identifies initial considerations arising from those changes for Northern Ireland businesses.

Key Points

This Briefing Paper, prepared for the Committee for Agriculture, Environment and Rural Affairs, supplements a June 2025 Briefing for that Committee which looked at “United States (US) Trade Tariffs: key changes & initial considerations for Northern Ireland”. It provides an update on key changes since June 2025 and provides initial consideration of their potential impacts.

Since June 2025 there have been a number of developments in US tariff policy that could impact Northern Ireland. Two are particularly notable from a Northern Ireland context:

- The US agreeing a 0% tariff on United Kingdom pharmaceutical products.
- The US-European Union agreement on tariffs.

The US has reached different tariff agreements with the United Kingdom and the European Union (EU) respectively. Most goods entering the US are to be subject to a 10% “Reciprocal tariff” plus the US’s Most Favoured Nation (MFN) tariff. Most EU goods entering the US are to be subject to the MFN tariff or 15%, whichever is higher.

The differences in the agreement ensure that the tariffs applied to United Kingdom and EU goods vary from product to product. This could result in some Northern Ireland products may having a competitive advantage in the US, relative to EU Member States. For other products, Northern Ireland firms may be at a competitive disadvantage.

The key finding of the previous RaISe Briefing on US Tariffs – that the tariff paid on US goods imported into Northern Ireland will be determined by their final destination as per Windsor Framework arrangements – remains valid following the tariff agreement between the US and EU.

The US-EU deal opens up the EU market to certain US agricultural products. It is uncertain what, if any, impact this might have on Northern Ireland businesses selling similar products in the EU.

Introduction

This Briefing Paper, commissioned by the Committee for Agriculture, Environment and Rural Affairs (the Committee), aims to inform the Committee's ongoing consideration of key changes – actual and currently proposed – to United States (US) trade tariff policy since June 2025, from the perspective of Northern Ireland; both its government and business sectors.

The Briefing Paper is intended to supplement an earlier RaISe Briefing Paper (NIAR 100-25, dated June 2025) that looked at "US Trade Tariffs: key changes & initial considerations for Northern Ireland". It seeks to update that Paper, providing an overview of key changes since June 2025.

This Paper is structured as follows:

1. Timeline of key trade tariff changes – since 27 June 2025
2. Potential impact of recent tariff changes
3. Key takeaways

1 Timeline of tariff changes – since 27 June 2025

Table 1, below, provides a summary of key tariff related developments that have occurred since 27 June 2025, the most recent date included in RaISe Briefing Paper (NIAR 100-25, dated June 2025). As is the case with the timeline presented in that earlier paper, Table 1 highlights key tariff related developments impacting Northern Ireland – namely, events that relate to tariffs being applied to either the United Kingdom or the European Union (EU), and reactions to such tariffs by those jurisdictions. A fuller timeline, including aspects of US broader trade policy, is available from a non-partisan research organisation called the Peterson Institute for International Economics.

Table 1: US Trade Tariff timeline – June 2025 to January 2026

Date	Event
27June 2025	President Trump and European Commission President von der Leyen announced a trade agreement. This included a 15% baseline tariff for EU goods imported into the US and the elimination of tariffs on US industrial goods imported into the EU. The EU also agreed to offer preferential market access for certain US seafood and agricultural goods. Written summaries of the agreement were published by the White House and the European Commission.
21 August 2025	Further details on the US-EU framework on an agreement were published in a joint statement by the White House and the European Commission.
28 August 2025	The European Commission introduced two regulation proposals to implement the terms of the US-EU agreement. The first of covered the reduction of tariffs on US industrial goods and preferential EU market access for certain US seafood and agricultural goods. The second proposed the extension of an existing elimination of customs duties on imports of certain types of lobster, that was scheduled to end 31 July 2025, "for as long as the United States is effectively implementing the Joint Statement". Both regulations are to be subject to normal EU legislative procedures.
5 September 2025	The White House released an Executive Order and a Fact Sheet, providing detail on how the US will implement the bilateral trade agreements it is negotiating with other countries.

Date	Event
17 September 2025	The US and United Kingdom agree a Technology Deal. The United Kingdom Government states the deal will result in £150 billion investment in the United Kingdom over 10 years. The United Kingdom and US will cooperate in areas such as artificial intelligence, quantum computing and nuclear power.
25 September 2025	The US Commerce Department published a Federal Register Notice providing further detail on the implementation of the US-EU Framework for a Trade Agreement.
29 September 2025	The White House issues a Proclamation and Fact Sheet setting out details of tariffs on “lumber and lumber products”. The United Kingdom (10%) and the EU (15%) received special tariff rates aligned with the terms of their trade deals.
14 November 2025	The White House issued an Executive Order eliminating duties certain agriculture products previously announced on 2 April 2025. This included tariffs on coffee, beef, bananas and orange juice.
28 November 2025	The Council of the EU (the Council) adopted negotiating mandates on the two regulations introduced by the European Commission on 28 August 2025. The Council has signalled its intention to begin “interinstitutional negotiations” with the European Parliament, with a view to reaching final agreement on both regulations.
1 December 2025	United Kingdom and US reached an agreement in principle on pharmaceutical trade. Under the agreement, pharmaceutical products entering the US from the United Kingdom will be subject to 0% tariff during “President Trump’s term”.

Source: RaISe (2025), relying on Peterson Institute for International Economics (2025) and various additional online sources

2 Potential impact of recent tariff changes

The following section outlines key initial considerations arising out of the changes outlined in Table 1. The section first looks at some of potential impacts on Northern Ireland exporters, before considering potential impacts on importers.

2.1 Potential impact on exporters

The most recent His Majesty's Revenue and Customs (HMRC) data show that:

- During the 12 months between Quarter 4, 2024 to Quarter 3, 2025, the US was the second largest market for Northern Ireland goods exports by value after the Republic of Ireland. In that period, Northern Ireland sold goods valued at £1.4 billion to the US, while sales to the Republic of Ireland were valued at £4.7 billion.
- The value of Northern Ireland exports to the US in the 12 months between Quarter 4, 2024 to Quarter 3, 2025 fell by £0.53 billion compared to the 12 months between Quarter 4, 2023, to Quarter 3 2024. This was the largest decrease in value of any partner country in the same period.[1]

Drawing on HMRC data, RaISe Briefing Paper (NIAR 100-25, dated June 2025) found that the following sectors exported the largest proportion of total exports to the US in 2024:

- Chemicals and related products - 32.49% of total exports
- Miscellaneous manufactured articles - 20.78%
- Machinery and transport equipment - 20.56%[2]

[1] HMRC Regional Trade Statistics, import and export data by country for Q3 2023 to Q3 2025, extracted 8 January 2026 Regional trade data table

[2] HMRC Regional Trade Statistics (2025) - downloaded June 2025

That Paper also found that aggregated "Agri-food" sector[3] accounted for 11.61% of total exports to the US in 2024.[4]

It also highlighted the conclusions of a Department for the Economy (DfE) research paper, entitled "The Direct Impact of the New USA Tariff Regime on the Local Economy" (6 June 2025), which looked at the macroeconomic implications of US tariffs on Northern Ireland. That DfE Paper examined four scenarios:

- Baseline Scenario – 10% tariff on all goods (excluding pharmaceutical products)
- Scenario 2 – 10% tariff on all goods (including pharmaceutical products)
- Scenario 3 – 10% tariff on all goods with 20% on pharmaceutical products
- Scenario 4 – 10% tariff on all goods with aerospace at 0%[5]

Since the publication of DfE's research findings, two developments have occurred, and in turn effect the likelihood of the above scenarios occurring – those are:

1. As noted in the RaISe Paper NIAR 100-25, on 17 June the US and United Kingdom signed the Economic Prosperity Deal (EPD). The terms EPD included the removal of tariffs on United Kingdom aerospace products entering the US. That ruled out the Baseline Scenario, as well as Scenarios 2 and 3, as those scenarios included a tariff on aerospace products.
2. As noted in Table 1 above, the US and United Kingdom announced on 1 December 2025 the removal of tariffs on United Kingdom pharmaceutical products entering the US. That change ruled out Scenarios 2, 3 and 4, as each included a tariff on pharmaceutical products.

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[3] NIAR 100-25 defined "Agri-food" as business in the following Standard International Trade Classification Sectors: those in DEFRA defined "Food, Feed and Drink" sector, Plus exports from the "Machinery specialised for particular industries" subsector.

[4] HMRC Regional Trade Statistics (2025) - downloaded June 2025

[5] The Direct Economic Impact of the New USA Tariff Regime on the Local Economy

Potential Scrutiny Point:

1. Has the DfE completed, or does it have plans to complete, a subsequent assessment of the impact of the new US tariff regime, following the agreement of and revisions to the EPD?

In addition to noted revisions to the terms of the EPD, Table 1 above outlines the agreement reached between the US and EU on tariffs on 27 June 2025. That agreement means the goods from EU Member States, including the Republic of Ireland, would be subject to a 15% tariff when imported into the US. This compares to a 10% reciprocal tariff on goods imported into the US from United Kingdom, including Northern Ireland.

This could make Northern Ireland exports more competitive in the US market, when compared to those from the EU. A closer look at the terms of the two agreements shows that the situation is more complex and can vary on a product-by-product basis. This is because of differences between what has been agreed between the United Kingdom and the US, and what has been agreed between the US and EU. Those differences are as follows:

- The EPD subjects most United Kingdom imports into the US to 10% reciprocal tariff. This is charged in addition to the pre-existing Most Favoured Nation (MFN)[6] tariffs on goods. The amount charged is product dependent, for example:
  - United Kingdom woollen jumpers imported in the US are subject to a 12% MFN tariffs, plus the 10% reciprocal tariff, resulting in a total tariff of 22%.

- Conversely:

[6] Most-favoured-nation (MFN): treating other people equally Under the World Trade Organisation (WTO) agreements, countries cannot normally discriminate between their trading partners. Grant someone a special favour (such as a lower customs duty rate for one of their products) and you have to do the same for all other WTO members [WTO | Understanding the WTO - principles of the trading system]

  - Scotch whisky imported into the US is subject to a MFN rate of 0%, plus a reciprocal tariff rate of 10%, resulting in a total tariff of 10%.

  The exceptions to this are sectors where specific tariffs have been agreed, such as the automotive, pharmaceutical and aerospace sectors.[7]
- Under US-EU agreement, EU exporters to the US pay the higher of the MFN tariff or the 15% reciprocal tariff.[8]

The different agreements ensure the competitive advantage varies on a product-by-product basis. Table 2, below, provides a worked example, comparing the final tariff paid by United Kingdom and EU exporters of milk and cream, and chemicals and related products. In this example, United Kingdom exporters of milk and cream are subject to a higher tariff than EU exporters, due to the way tariffs are calculated in each agreement. Conversely, EU exporters of chemicals and related products pay a higher tariff than United Kingdom exporters of the same product. Again, this is due to the way tariffs are calculated under each agreement.

Table 2: Comparison of tariffs paid by United Kingdom and EU exporters to US (worked example)

Product and export region	MFN duty rate	Additional reciprocal tariff	Total
United Kingdom milk and cream	17.5%	10%	27.5%
EU milk and cream	17.5%	0% (as MFN is above 15%)	17.5%
United Kingdom chemicals and related products	3.7%	10%	13.7%

7 US Trade Tariffs and the Global Economy - British Chambers of Commerce

8 Joint Statement on a United States-European Union framework on an agreement on reciprocal, fair and balanced trade - Trade and Economic Security

EU chemical and related products	3.7%	15% (as MFN is below 15%)	15%

Source: RSM (2025)

Potential Scrutiny Point:

2. Has the DfE completed, or does it have plans to complete, a sectoral analysis comparing effective tariff rates under United Kingdom and EU arrangements, to identify areas of competitive advantage/disadvantage for Northern Ireland?

2.2 Potential impact on importers

The most recent HMRC data shows that:

- During the 12 months between Quarter 4, 2024 to Quarter 3, 2025, Northern Ireland sourced imports valued at £768 million from the US. That made the US the third largest market for Northern Ireland imports in that period, after the Republic of Ireland (£3.7 billion) and China (£1billion).
- The value of Northern Ireland imports from the US in the 12 months between Quarter 4, 2024 to Quarter 3, 2025 grew by £23.7 million compared to the 12 months between Quarter 4, 2023, to Quarter 3 2024. That was the ninth largest increase in import value of any partner country in the same period. Imports from China saw the largest growth, increasing by £86.5 million in the same period.[9]

The RaISe Briefing Paper (NIAR 100-25, dated June 2025) found that the impact of the US Tariffs on Northern Ireland's imports was:

[9] HMRC Regional Trade Statistics, import and export data by country for Q3 2023 to Q3 2025, extracted 8 January 2026 Regional trade data table

> *…complicated somewhat by The Windsor Framework, under which importers pay either the United Kingdom import tariff or the EU import tariff, depending on the final destination of the goods* [being imported].

As the June 2025 RaISe Briefing Paper further explained, the Windsor Framework (WF), agreed between the UK and the EU on 27 February 2023, introduced new trading arrangements for Northern Ireland. In brief, goods destined, or at risk of entering, the EU marker face EU tariffs, while goods staying in the United Kingdom face United Kingdom tariffs. In practice, those new arrangements created red and green lanes for goods moving into the jurisdiction. Goods deemed “not at risk” of entering the EU move into Northern Ireland through the green lane and are subject to simplified procedures. Goods deemed “at risk” of entering the EU move into Northern Ireland through the red lane and are subject to more rigorous checks.

Furthermore: goods entering Northern Ireland from outside the EU and UK are referred to as “third country goods”. Third country goods deemed “at risk” are subject to the applicable EU rate of duty. Third country deemed “not at risk" goods are subject to the applicable United Kingdom rate of duty.[10]

Collectively, the effect of the above is importers in Northern Ireland can claim preferential tariff rates under EU Free Trade Agreements (FTAs), if:

- The goods are deemed “at risk”; and
- The goods meet the relevant rules of origin set out in the EU agreement. and appropriate evidence is provided.[11]

Importers in Northern Ireland can claim preferential tariff rates under UK FTAs, if:

- The goods are deemed not “at risk”; and,

[10] How to make sure the correct duty is applied to goods you bring into Northern Ireland from countries outside of the EU and UK - GOV.UK

[11] How to make sure the correct duty is applied to goods you bring into Northern Ireland from countries outside of the EU and UK - GOV.UK

- The goods meet the relevant rules of origin set out in the United Kingdom agreement and appropriate evidence is provided.[12]

As noted in Table 1, above, the most significant change since RaISe Paper NIAR 100-25 (dated June 2025) was the 27 June 2025 announcement of a trade agreement between the US and the EU. That agreement included the removal of tariffs on US industrial goods imported into the EU. Given the arrangements set out in the Windsor Framework, that means US industrial goods entering Northern Ireland and at deemed "at risk" of entering the EU will be subjected to a 0% tariff.

Given the above, a key finding of RaISe Paper NIAR 100-25 – that is, the tariff paid on US goods imported into Northern Ireland will be determined by their final destination as per Windsor Framework arrangements – remains valid at the time of writing. **What has changed, however**, is that "at risk" US industrial goods entering Northern Ireland will be subject to 0% tariffs.

Potential Scrutiny Point:

3. Has the Department for the Economy (DfE) and/or the Department for Agriculture, Environment and Rural Affairs (DAERA) carried out, or does either plan to carry out, any analysis of the proportion and/or value of third country goods entering Northern Ireland through the red and greens lanes respectively?

Further details of how the EU will implement its agreement with the US were made clear by the introduction of proposed regulations by the European Commission on 28 August 2025.[13] In its proposal for a regulation on industrial, seafood and agricultural goods, the European Commission noted that as of

[12] How to make sure the correct duty is applied to goods you bring into Northern Ireland from countries outside of the EU and UK - GOV.UK

[13] For full details see "Proposal for a Regulation of the European Parliament and of the Council on the adjustment of customs duties on the import of certain goods originating in the United States of America and opening of tariff quotas for imports of certain goods originating in the United States of America"

2024 imports tariffs had already been eliminated on 66% of industrial goods entering the EU from the US. The proposed Regulation, if agreed and enacted, would extend this to the remaining 34%.[14]

With regard to the preferential access for seafood and agricultural products, the proposed Regulation sets out the EU's intention to do so using tariff rate quotas. This approach would ensure that imports from the US of a specific product up to a certain volume would benefit from tariff reductions. The import volume quotas will be put in place for one year following the Regulation's entry into force. The specific quotas and related in-quota tariff rates are set out in Annex III to the proposed Regulation and summarised in Table 3, below. **Note: the products, quotas and in-quota tariff rates set out in Table 3 have not been finalised at the time of writing this Paper.**

Table 3: Proposed preferential access for US agricultural products

Product type	Quota (tonnes)	In-quota tariff rate
Pigmeat products	25,000	0%
Bison products	3,000	0%
Dairy products	10,000	0%
Cheese products	10,000	0%
Nut products	500,000	0%
Soyabean oil	400,000	0%
Animal feed preparations	40,000	0%
Alaska Pollock	340,000	0%
Squid	5,000	0%
Unprocessed salmon	20,000	0%
Processed salmon	5,000	0%
Prepared shrimps	5,000	0%
Hake and dogfish	20,000	0%
Cocoa powder and chocolates	40,000	Tariffs vary by product from 2% to 2.1% plus €5.76 per 100kg net.

[14] As cited immediately above

Food preparations in Chapter 19 of the Harmonised System of commodity codes (HS)	40,000	Tariffs vary by product from 2.1% to 2.5% plus €6.15 per 100kg net.
Food preparations in Chapter 21 of the HS	50,000	Tariffs vary by product from 0% to 4.3%.
Non-alcoholic beverages	20,000	0%
Product type	**Quota (tonnes)**	**In-quota tariff rate**
Mannitol and sorbitol	2,5000	0%
Odoriferous substances	1,4000	0%
Dextrins	11,000	0%

Source: European Commission (2025)

In agreeing to provide preferential single market access to the agricultural goods set out in Table 3, the EU stressed in the introduction to the proposed regulation, that it is to be "provided to non-sensitive agricultural products only, where there is a Union interest to facilitate imports".[15] From the US perspective, a White House Fact Sheet published on 28 July 2025, states that the agreement with the EU:

> *…will enable US farmers, ranchers, fishermen, and manufacturers to increase US exports, expand business opportunities, and help reduce the goods deficit with the European Union.*[16]

These quotes suggest that both parties to the agreement anticipate greater EU market penetration of the US goods set out in Table 3. A further consideration, therefore, is what impact might this have on Northern Ireland businesses currently selling such products into the EU.

Potential Scrutiny Points:

[15] Proposal for a Regulation of the European Parliament and of the Council on the adjustment of customs duties on the import of certain goods originating in the United States of America and opening of tariff quotas for imports of certain goods originating in the United States of America"

[16] Fact Sheet: The United States and European Union Reach Massive Trade Deal – The White House

4. Has the Department for the Economy carried out, or does it plan to carry out, any assessment of the impact of preferential access to the EU market for US agricultural goods on Northern Ireland business currently selling such products into the EU?

5. Has the Department of Agriculture, Environment and Rural Affairs carried out, or does it plan to carry out, any assessment of the impact of preferential access to the EU market for US agricultural goods on Northern Ireland business currently selling such products into the EU?

3 Key takeaways

Since June 2025 there have been a number of developments in US tariff policy that could impact Northern Ireland. Of those developments the potentially most notable were:

- The US agreeing a 0% tariff on United Kingdom pharmaceutical products
- The US-EU agreement on tariffs.

This Paper has identified initial considerations arising from those changes as follows:

- The differences in how tariffs are calculated in the US-United Kingdom deal and how they are calculated in the US-EU deal could result in some Northern Ireland products having a competitive advantage in the US. This would vary on a product-by-product basis, with some products likely to be at a competitive disadvantage.
- A key finding of the previous RaISe Briefing (NIAR 100-25, dated June 2025) – that is, the tariff paid on US goods imported into Northern Ireland will be determined by their final destination as per WF arrangements – remains valid following the agreement between the US and EU June 2025.

- The US-EU deal opens up the EU market to certain US agricultural products. It is uncertain at this stage, what impact, if any, this might have on Northern Ireland businesses selling similar products in the EU, including those which currently do and those which may have planned to do so in future.

It is important to note that the analysis presented in this Paper is subject to several important caveats, as explained here. Both the US-EU agreement and the EPD agreed between the United Kingdom and the US are to be finalised and fully implemented. Moreover, as noted in Table, US tariff policy is currently undergoing continued litigation in US Courts. From a Northern Ireland perspective, a comprehensive sectoral analysis in future could provide a more nuanced understanding of the net effect of US tariffs on Northern Ireland's exporters. Moreover, enhanced knowledge of movements through the red and green lanes established under the WF could provide greater clarity on the potential impacts on importers.

As such, the analysis presented in this Paper should be viewed as a snapshot of the current potential implications of US tariff arrangements, which remain a highly complex, dynamic and evolving area.