



# Footwear & Politics

By Thomas Crockett • Jul 07, 2025

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The Trump Administration has extended the reciprocal tariff deadline again, this time to August 1st ... while also sending letters to countries announcing new tariff rates that will soon hit if no deal is reached. The 90-day tariff pause was originally scheduled to expire this week, on July 9th.

- **The new tariff rates:** The President started sharing the country-specific letters this afternoon via Truth Social, beginning with 🇯🇵 Japan and 🇰🇷 South Korea. Goods from each of the two U.S. trading partners will receive a new 25 percent added rate.
- **Effective date:** The new tariff rates will take effect on August 1st. This gives the countries a few more weeks to continue to negotiate with the U.S. for a better deal.

💭 **Our thought bubble:** Why these two countries? The new announcement is likely intended to maximize leverage and pressure on two of the U.S.’s most advanced economy trading partners prior to the new self-imposed August 1st deadline.

✗ **Transshipment:** The South Korea and Japan letters mention that goods that are transshipped to avoid a higher tariff will face that high tariff.

- This is similar to the 🇻🇳 Vietnam framework which would place 40 percent tariffs on goods that are “transshipped.”
- It is unclear what exactly the Trump Administration means by this, because transshipment has long been illegal under U.S. law.

📈 **Trade deficits:** The policy is focused on reducing the trade deficit in goods the U.S. runs with specific countries. The phrase “trade deficit” is mentioned 5 times in each letter.

👟 **Tariff stacking:** FDRA will continue to urge the Administration to give the industry credit for what is already paid. For example, many shoes from Vietnam already have a 20 percent tariff rate. We are arguing that a 20 percent reciprocal rate should not be “stacked” on top of a 20 percent base rate for footwear.

**As always, we will send out key updates to FDRA members as we receive them.**

Thanks for reading. We’re available for any questions or comments you might have.

Matt and Thomas

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