

Footwear & Politics

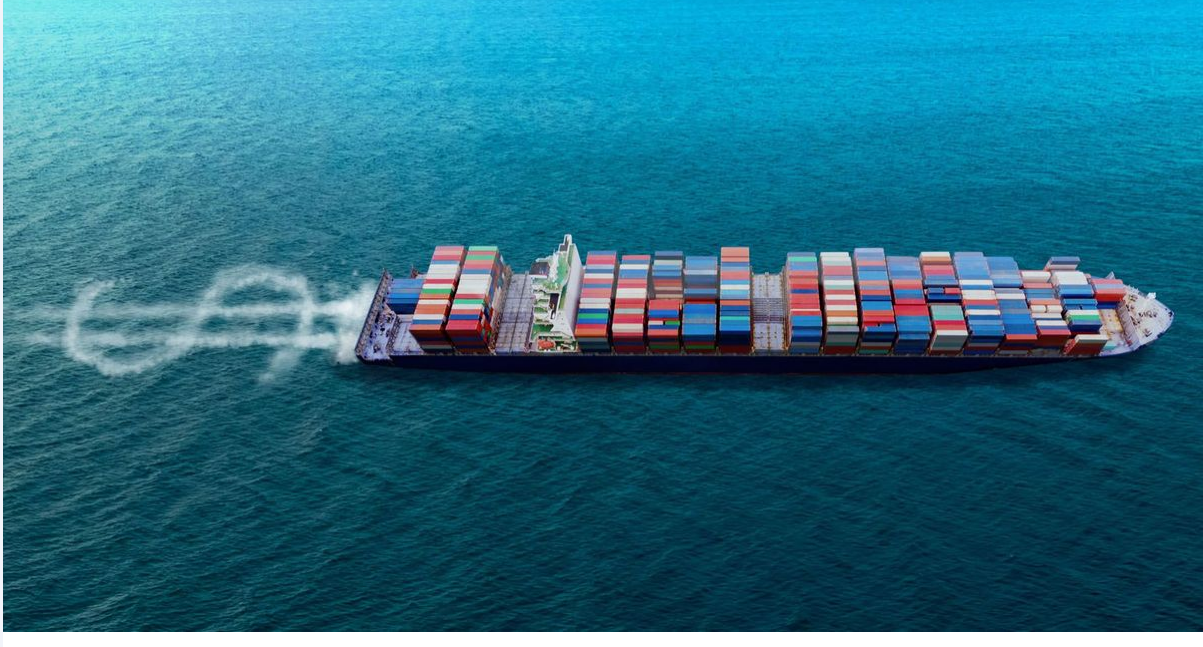
By Thomas Crockett • Jul 31, 2025

Smart Brevity® count: 3 mins...808 words

President Trump announced his reciprocal tariff plan this evening.








Critical FDRA member-only information below. Emergency call tomorrow. Sign-up below.

President Trump imposes reciprocal tariffs



This evening President Trump issued an executive order outlining his tariff plans taking effect at midnight.

By the numbers: Here are the rates for some of our key footwear production partners as outlined in Annex I. **These rates DO STACK on top of historic tariff rates:**

-  **Vietnam:** 20 percent tariff
-  **Indonesia:** 19 percent tariff
-  **Cambodia:** 19 percent
-  **India:** 25 percent tariff
-  **Bangladesh:** 20 percent tariff
-  **Brazil:** 10 percent tariff (+40 percent IEEPA tariff added this week for 50 percent total)
-  **Pakistan:** 19 percent tariff


Yes, but: The European Union 15 percent tariff **does not stack** on historic rates (Column 1). The administration has provided a provision unique to the EU that only charges duties on goods that have duty rates less than 15 percent—and only the difference is charged.

- For example, a men’s leather shoe out of Italy with a historic tariff rate of 8.5 percent will have a new reciprocal rate of 6.5 percent applied so the total rate paid is 15 percent.
- A sneaker out of Italy with a typical rate of 20 percent will still face a rate of 20 percent since the rate is equal to or more than the 15 percent rate.

Here is the key text on the EU rates:

For a good of the European Union with a Column 1 Duty Rate that is less than 15 percent, the sum of its Column 1 Duty Rate and the additional *ad valorem* rate of duty pursuant to this order shall be 15 percent. For a good of the European Union with a Column 1 Duty Rate that is at least 15 percent, the additional *ad valorem* rate of duty pursuant to this order shall be zero.

Oh, also: Countries not listed in Annex I will continue to have a 10 percent rate applied to their goods.

 **On the water provision for Annex I countries:** Goods that depart port within seven days of tomorrow and arrive to the U.S. and are cleared by Customs & Border Protection (CBP) by October 5, 2025 will avoid the new reciprocal rates. Here’s the critical text:

These modifications shall be effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time 7 days after the date of this order, except that goods loaded onto a vessel at the port of loading and in transit on the final mode of transit before 12:01 a.m. eastern daylight time 7 days after the date of this order, and entered for consumption, or withdrawn from warehouse for consumption, before 12:01 a.m. eastern daylight time on October 5, 2025, shall not be subject to such additional duty and shall instead remain subject to the additional *ad valorem* duties previously imposed in Executive Order 14257, as amended.

One more thing: The order does outline the 40 percent rate for transshipment as determined by CBP. As of now, there is no regional value content rule outlined in the order for any of the countries.

Here’s the key text on transshipment:

An article determined by CBP to have been transshipped to evade applicable duties under section 2 of this order shall be subject to (i) an additional *ad valorem* rate of duty of 40 percent, in lieu of the additional *ad valorem* rate of duty applicable under section 2 of this order to goods of the country of origin, (ii) any other applicable or appropriate fine or penalty, including those assessed under 19 U.S.C. 1592, and (iii) any other United States duties, fees, taxes, exactions, or charges applicable to goods of the country of origin.

The bottom line: For those countries at the table and willing to negotiate, the president provided the possibility of some flexibility saying:


Certain foreign trading partners identified in Annex I to this order have agreed to, or are on the verge of concluding, meaningful trade and security agreements with the United States. Goods of those trading partners will remain subject to the additional ad valorem duties provided in Annex I to this order until such time as those agreements are concluded, and I issue subsequent orders memorializing the terms of those agreements.

 **Go deeper:** Check out the full text of the executive order here:

[Aug 1st Tariff Order](#)

 **Even deeper:** Access the White House fact sheet on the order here:

[White House Fact Sheet](#)

 **What's next:** We will hold an emergency call with FDRA members tomorrow at 4 PM EDT to discuss the order in detail and answer questions.

[Register here](#)

There’s a lot to digest. We’ll cover it all on tomorrow’s call. In the meantime, keep the questions coming. We’re on stand-by to handle your inquiries in realtime.

Matt and Thomas

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