

THE CARMICHAEL COMPASS

"WHEN THE TIDES OF TRADE SHIFT, WE'RE YOUR COMPASS."

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U.S. - Indonesia Joint Statement Details Reciprocal Trade Deal Framework

On July 22, the U.S. and Indonesia jointly released a fact sheet regarding the details for the framework of their reciprocal trade deal.

Key terms of the deal include:

- Elimination of approx. 99% of tariff barriers by Indonesia on a range of U.S. Industrial and Food/Agricultural products.
- U.S. reduction of reciprocal tariff to 19% on Indonesian-origin goods
 - May also identify commodities that are not naturally available/domestically produced for further reduction of reciprocal tariff.
- U.S./Indonesia will negotiate rules of origin.
- U.S./Indonesia will work to address Indonesian non-tariff barriers.
 - This includes:
 - Exempting U.S. companies/goods from local content requirements
 - Accepting vehicles built to U.S. federal motor vehicle safety/emission standards
 - Accepting FDA certs and prior marketing authorizations for medical devices/pharmaceuticals
 - Removing labeling requirements
 - Exempting U.S. exports of cosmetics, medical devices, and other manufactured goods from certain requirements
 - Working to resolve long-standing intellectual property issues identified in the USTR's Special 301 Report
 - Addressing U.S. concerns with conformity assessment procedures
 - Removal of import restrictions/licensing requirements on U.S. remanufactured goods or their parts
 - Elimination of pre-shipment inspection/verification requirements for U.S. imports
 - Implementation of good regulatory practices
- U.S./Indonesia to address and prevent barriers to U.S. Food/Agricultural products
 - This includes:
 - Exempting U.S. Food/Ag products from import licensing regimes such as commodity balance requirements
 - Ensuring transparency/fairness with respect to geographical indications
 - Providing permanent Fresh Food of Plant Origin designation for applicable U.S. plant products
 - Recognizing U.S. regulatory oversight, including accepting certs issued by U.S. regulatory authorities
- Indonesia will address barriers impacting digital trade, services, and investment.
- Indonesia will join the Global Forum on Steel Excess Capacity and take action to address global excess capacity in the steel sector and its impacts.
- Indonesia will commit to protecting internationally recognized labor rights.
- Indonesia will commit to adopt/maintain high levels of environmental protection and to effectively enforce environmental laws.
- Indonesia will remove restrictions on exports to the U.S. of industrial commodities such as critical minerals.
- The U.S./Indonesia have committed to strengthening economic/national security cooperation to enhance supply chain resilience/innovation and addressing unfair trade practices of other countries. They will cooperate on export controls, investment security, and combatting duty evasion.
- The U.S./Indonesia have noted the following upcoming commercial deals between companies from both countries:
 - Procurement of aircraft valued at USD 3.2 billion
 - Purchase of ag products with a total value estimated at USD 4.5 billion
 - Purchases of energy products with a total value estimated at USD 15 billion

The statement also indicated that the two countries will continue to negotiate and finalize this trade deal in the coming weeks.



For those interested in learning more about CTPAT, CBP has the information on their website at this link [here](#). After reviewing the information, if you have any questions please give us a call.

Multiple Trade Deals Announced July 22, 2025

A post made by President Trump on Truth Social on July 22, 2025, announced a trade deal with the Philippines that will see them paying a 19% reciprocal tariff and opening their markets to the U.S. with 0% tariffs.

In addition to the deal with the Philippines, President Trump also announced that they have reached a trade deal with Japan. According to his post, this deal will see them paying a 15% reciprocal tariff while Japan will open its market to the U.S. regarding cars, trucks, rice, and other agricultural products. Japan will also invest \$550 billion in the U.S., with most of the profits remaining in the U.S. economy.

Japanese Prime Minister Ishiba Shigeru confirmed the agreement, saying that the 25% auto tariff would be lowered to 15%, including the existing 2.5% MFN rate. President Trump's statement on Truth Social made no mention of a change to the Section 232 Auto Tariffs for Japan.

As of yet, no official joint statement has been released. Once details of this trade deal are confirmed, we will send an update

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