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INTERNATIONAL TRADE POLICY COMMITTEE

LATIN AMERICAN FRAMEWORK AGREEMENTS, CHINA RARE EARTHS UPDATES, KOREA FACT SHEET, SWITZERLAND DEAL

NAM ISSUES TARIFF PRESS RELEASE

Dear NAM Members,

It's Friday: Below are updates on trade developments this last week and last few hours, including new statements on reciprocal framework agreements with four Latin American countries, a Swiss deal, and updates to China's rare earth export controls. The White House also last night issued a fact sheet on President Trump's meeting on October 29 with Korean President Lee Jae Myung, which is the first written confirmation of elements of the U.S.-Korea deal. There is new language on Section 232 tariffs in the Korea deal – read more below.

NAM Issues Statement: Given the administration's focus with Latin American suppliers on providing tariff relief for imports that "cannot be grown, mined, or naturally produced in the U.S. in sufficient quantities," the NAM took the opportunity to praise this development for food and beverage producers, and to bring a broader range of industrial inputs to top of mind with a press release issued today.

U.S. Announces Framework Agreements with Four Latin American Countries

Who joined the trade deal club: On Thursday night, the White House issued joint statements describing key terms of framework agreements with **El Salvador, Ecuador, Guatemala** and **Argentina.** The announcements contain some differences but also common themes:

Negotiations ongoing: The joint statements describe general commitments that U.S. trading partners intend to make inside "framework agreements" that the partners will work to finalize for signature "in the coming weeks".

Tariffs on U.S. goods: Ecuador and Argentina commit to **reduce or eliminate tariffs on specific U.S. exports**. Guatemala and El Salvador **do not include tariff commitments** because the 2005 U.S. FTA with Central America eliminated tariffs on U.S. exports.

- **Ecuador:** Ecuador will reduce or eliminate tariffs in key sectors including machinery, health products, ICT goods, chemicals, motor vehicles, and certain agricultural products.
- **Argentina:** Argentina will provide "preferential market access" for U.S. exports of certain medicines, chemicals, machinery, information technology products, medical devices, motor vehicles, and agricultural products. The words "reduce" or "eliminate" are not used.

Non-tariff barriers: All four countries commit to address non-tariff barriers particular to their markets, including:

- Streamlining regulatory approvals for pharmaceuticals and medical devices (Guatemala, El Salvador)
- Accepting U.S. auto standards (Guatemala, El Salvador)
- Implementing intellectual property rights obligations (Guatemala, El Salvador, Ecuador, Argentina)
- Refraining from digital services taxes (Guatemala, El Salvador, Ecuador)
- Ending pre-shipment inspection mandates and expanding the Authorized Economic Operator program to include express delivery (Ecuador)
- Accepting U.S. standards and conformity assessment (Argentina)

Economic and national security cooperation: The countries commit to complementary actions to address non-market policies of "other countries" (China), including to address duty evasion and to cooperate on investment security and export controls.

Changes to U.S. IEEPA tariffs: In the Guatemala, El Salvador, and Ecuador statements, the U.S. commits to remove IEEPA Reciprocal tariffs on certain qualifying exports of the trading partner that **cannot be grown, mined, or naturally produced in the U.S. in sufficient quantities**. This could mean the U.S. will add these goods to Annex III IEEPA exemptions and enable those exemptions to apply to these countries. **The tariff on these products would revert to the MFN rate.**

All other goods would still be subject to the IEEPA Reciprocal tariff rate of 10 percent for Argentina, Guatemala and El Salvador and 15 percent for goods from Ecuador.

- In the Argentina statement, the U.S. commits more narrowly to remove this tariff on **"certain unavailable natural resources" and "non-patented articles for use in pharmaceutical applications"**. The Ecuador statement merely refers to "certain qualifying exports".
- **Guatemala and El Salvador textiles and apparel IEEPA exemption:** In addition, the U.S. will remove IEEPA Reciprocal tariffs for CAFTA-DR-qualifying textile and apparel products.

El Salvador and Argentina Section 232 "consideration": The U.S. will "take this agreement into consideration when taking trade action under Section 232". There is no indication what this means in practice or whether it is retrospective or purely prospective.

Links to the Joint Statements:

El Salvador

Guatemala

Ecuador

Argentina

NAM Brings Industrial Inputs and Speed Pass Proposal to the Fore

In reaction to this week's trade deals, NAM today issued a press release.

NAM CEO Jay Timmons said:

"Today, President Trump, Secretary Bessent and Ambassador Greer delivered a major win for the American people with trade deals that keep the products that power daily life—like coffee, bananas and cocoa—affordable for working families and manufacturers. That's something to celebrate. Today's announcement will empower companies in the food and beverage supply chain to bring certain critical ingredients and inputs to the United States in order to enable and expand production at home.

"The U.S. is the strongest manufacturing power in the world, and thanks to this administration, manufacturers have made bold investments to enhance our ability to produce the essential inputs on our own shores. ***But just as coffee primarily must be produced elsewhere, the same is true for a range of critical manufacturing inputs and machinery that keep our factories humming and determine whether the next manufacturing dollar is spent in America. Americans run on coffee—and America's manufacturers run on indispensable materials, machinery and equipment.***

"We've had productive conversations with the administration about applying this principle, using the ***NAM's U.S. Manufacturing Investment Accelerator*** *, to essential manufacturing inputs—such as the critical minerals, industrial machinery and materials that drive our economy and strengthen our long-term ability to make more things in America."*

A big thank you to NAM members for continuing to talk about the U.S. Manufacturing Investment Accelerator – the Manufacturing Speed Pass – to

policymakers and members of Congress in your individual meetings to support the NAM advocacy. Let's keep this conversation going.

The Swiss (and Liechtenstein) Land a Framework Deal

Down from a 39% IEEPA Rate: The President today announced a framework for a trade deal with Switzerland and the Principality of Liechtenstein focused on tariffs and investments into the U.S. and a commitment to work on non-tariff barriers. Key elements include:

- **Matching the EU 15% IEEPA rate:** The U.S. will reduce Switzerland's IEEPA rate to a maximum of 15 percent, the same as the European Union. Switzerland has made promises to reduce its trade surplus with the U.S.
- **Market access for U.S. exports:** Switzerland and Liechtenstein "intend to remove a range of tariffs across agriculture and industrial sectors".
- **Investments:** Swiss and Liechtenstein companies will invest at least $200 billion into the U.S., "with at least $67 billion worth of investment occurring in 2026". Important to the Swiss was to partner to increase the use of Registered Apprenticeships and other training programs in key high-growth sectors, including learning from and collaborating with NAM workforce initiatives.
- **Non-tariff barriers:** Switzerland and Liechtenstein intend to address a range of non-tariff barriers including for U.S. medical devices and autos, and to identify and align international standards to improve access for U.S. manufactured goods exports. They also agreed to "refrain from harmful digital services taxes".
- **Economic security provisions:** We can expect to see forthcoming provisions to expand cooperation on export controls, sanctions, and investment screening.

What's Next: The U.S., Switzerland, and Liechtenstein will work to conclude negotiations in early 2026.

MOFCOM Issues Additional Trade Truce Updates

As agreed at the Trump-Xi meeting, China's Ministry of Commerce (MOFCOM) earlier this week posted a series of notices that officially suspended previous measures related to export controls on rare earth elements and retaliation for the U.S. 301 shipbuilding actions.

- **Lifted:** Restrictions on dual-use exports to the U.S. of **gallium, germanium, antimony, superhard materials** and **graphite** from December 2024 were lifted.
- **Suspended:** Expanded controls on **derivatives with trace Chinese rare earth content, processing technologies, mining and processing equipment and**

related materials from October 9, 2025 were suspended.

- **Suspended:** China also suspended its **retaliatory measures against** 5 U.S. subsidiaries of South Korean shipping conglomerate, **Hanhwa**, issued in April.

General license issues remain unresolved: While these measures clarify that the rare earth export controls one year truce applies to more than just the October 9 measures, details are still to be negotiated on China's commitment to issue **general licenses on exports from China** to ensure the continued flow of rare earths to global buyers.

Links to measures (in Chinese)

MOFCOM Doc #70 HERE

MOFCOM Doc#72 HERE

MOFCOM Doc #7 HERE

Elements of Korea Deal Emerge

July deal taking shape: In July, the U.S. and Korea announced a Korea Strategic Trade and Investment deal. Last night, the White House posted a Fact Sheet outlining its elements.

IEEPA Tariffs: Under the U.S.-Korea FTA (KORUS), Korea already applied zero duties on U.S. goods. Under this deal, the U.S. will:

- **Cap the IEEPA Reciprocal rate at 15% but some goods receive zero or MFN:** The U.S. affirms the IEEPA rate for Korea will be the higher of either the KORUS rate or the U.S. MFN rate or the IEEPA tariff rate of 15 percent. We will need to see a full tariff schedule or CSMS guidance to understand the details.

- **Apply Annex III exemptions to Korea:** The U.S. will apply MFN to the products on the list of Potential Tariff Adjustments for Aligned Partners (Annex III) which include generic pharmaceuticals, ingredients, and chemical precursors, and certain natural resources unavailable in the United States. It also locks in zero on certain aircraft and parts.

Section 232 Tariffs: Foreshadowing forthcoming approaches to the pharmaceutical and semiconductor Section 232 investigations, the U.S. agreed to:

- **Reduce Section 232 tariffs on autos/parts, timber/lumber:** The U.S. affirms the Section 232 rate for Korea will be reduced from 25 to 15 percent, inclusive of KORUS and MFN, for autos, auto parts, timber, lumber, and wood.

- **Reduce any Section 232 tariff on pharmaceuticals to 15%:** Prospectively, the U.S. will cap any forthcoming Section 232 tariff on Korean pharmaceuticals at 15 percent.

- **Secure favorable terms for imports of semiconductors:** For any Section 232 tariffs imposed on semiconductors, including semiconductor manufacturing equipment, the U.S. "intends to provide terms for such Section 232 tariffs on Korea that are no less favorable than terms that may be offered in a future agreement **covering a volume of semiconductor trade at least as large as Korea's**, as determined by the U.S." It's unclear if this foreshadows a type of tariff-rate quota.

Investments: As previously reported, the U.S. expects $150 billion of Korean investment in the shipbuilding sector and another $200 billion to be committed in a forthcoming MOU on Strategic Investments. To ensure foreign exchange stability, Korea would not be required to commit more than $20 billion a year.

Non-tariff barriers: Korea committed to address longstanding regulatory market access barriers, including:

- Elimination of the 50,000-unit cap on U.S.-originating FMVSS-compliant vehicles that can enter Korea without modifications and acceptance of U.S. emissions certifications.
- Measures to address discrimination or barriers to providing digital services.
- Additional procedural fairness in competition proceedings.
- Stronger protections of intellectual property rights and accession to the Patent Law Treaty.

More to come: The U.S. and Korea intend to "memorialize commitments and a plan of action to promote reciprocal trade," to be adopted by the KORUS Joint Committee before the **end of the year**.

Please contact Andrea Durkin at adurkin@nam.org, Anne Collett at acollett@nam.org or Kevin Doyle at kdoyle@nam.org for questions or feedback.

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