

Trump tariffs**US trading partners rush to sign deals before Donald Trump's tariffs hit**

Canada and Mexico lead diplomatic offensive in Washington as August 1 deadline looms



Donald Trump has warned other trading partners he will not back away from the tariffs he has threatened on countries that do not reach an agreement by his deadline © Alex Brandon/AP

Aime Williams in Washington

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Top officials from big US trading partners have rushed to Washington in a bid to strike last-ditch trade deals with Donald Trump less than 24 hours before being hit again with the president's highest levels of tariffs.

US allies Canada and Mexico sent delegations, according to people familiar with the negotiations, and were locked in intense talks with Trump administration officials on Wednesday.

As the August 1 deadline neared, Trump signalled late progress with key trading partners, announcing [a deal with South Korea](#) late on Wednesday while also saying he would hold last-minute talks with India — just hours after he announced 25 per cent tariffs on the country.

But Trump also warned other trading partners he would not back away from the sweeping [tariff regime](#) he has threatened on countries that do not reach an agreement by his deadline.

“The August first deadline is the August first deadline — It stands strong, and will not be extended. A big day for America!!!” the president posted on his Truth Social platform on Wednesday.

The threats, coupled with deals struck in recent days with [the EU](#) and [Japan](#), have left negotiators from other trading partners in a rush to find time to meet administration officials and settle terms.

Despite Trump’s [tariff threat to India](#), one person familiar with its negotiations said New Delhi was close to an agreement, even though its top negotiators have left Washington.

Canada’s Prime Minister Mark Carney on Wednesday evening struck a cautious tone about the progress of his country’s talks with the Trump administration.

“These are complex, they’re comprehensive, they’re constructive negotiations,” Carney told reporters. “It’s possible that they may not conclude by the first of August.”

Trump hit out at Canada late on Wednesday, writing on his Truth Social platform that Carney’s decision to [recognise Palestinian statehood](#) would “make it very hard for us to make a Trade Deal with them”.

Foreign diplomats have spent hours in recent weeks negotiating with commerce secretary Howard Lutnick and US trade representative Jamieson Greer.

Although one diplomat described Lutnick as “instrumental” in securing any deal, many said he had warned them that all final decisions rested with Trump.

People familiar with various trade talks said Trump had on more than one occasion rejected potential deals proposed to him by Lutnick and other aides, and demanded they push for more concessions to the US.

The president had personally intervened in several deals, including joining a call with the Indian trade minister and Lutnick as negotiations progressed, according to two people familiar with the talks.

Trump is also due to decide whether to extend a pause in his trade war with China, after Treasury secretary Scott Bessent and Greer held a [third round of talks](#) with a team from Beijing in Sweden this week.

The latest diplomatic blitz comes as US markets broadly shrug off Trump's trade war. The S&P 500 share index has zoomed to record highs, while the dollar has hit its highest level since May as traders bet on the president balking at imposing levies severe enough to spook investors.

But some Wall Street banks and investors remain concerned that markets are complacent.

"Deadlines have come and gone, tariffs have climbed . . . but economic data and markets have not rolled over. So, it's tempting to move on from the idea that US trade policy will move markets," Morgan Stanley told clients in a note.

"Resist that temptation."

The diplomatic efforts cap a tumultuous six months in US trade relations marked by truculent rhetoric and tariff threats from Trump, often followed by reversals and climbdowns.

US trading partners without a deal have until 12.01am eastern time on Friday to find one — or face Trump reimposing the steep tariffs he announced in April but suspended after days of severe market turmoil.

After threatening foreign capitals with levies to exact political concessions, the president has since made reciprocal tariffs the centrepiece of his combative trade agenda.

Those tariffs, imposed on "liberation day" in April, reached up to 50 per cent for most US trading partners. Trump has said he wants the tariffs to eliminate trade deficits with foreign exporters.

Although Trump promised to strike 90 deals in 90 days of his earlier pause on the reciprocal tariffs, negotiations have often been fraught, with major trading partners seeking to protect crucial industries, and some negotiators confused by the administration's mixed messages.

Mexico and Canada, among the US's top three trading partners, have been offered a substantial carve-out for goods complying with their existing 2020 free trade agreement with the US.

But they were also among the countries Trump threatened with steeper tariffs in a barrage of letters posted online in recent weeks.

Trading partners have sought to understand the mechanism for new tariffs — or their removal — and have been confused about which tariffs might snap back or be imposed, and which would diverge from those announced.

Trump would need to issue executive orders ahead of the deadline on Thursday night to impose any levies that differ from those he set out in April.

In the UK last week the president also raised the possibility that he would impose blanket 15-20 per cent levies on countries without a new deal by August 1.

“You can’t sit down and make 200 deals,” Trump said in Scotland, where he unveiled his trade deal with the EU.

Several countries have also been sent letters outlining new tariff rates, or have agreed on new levies — but the administration has not yet issued any fresh legal documents to carry through on its threats.

Trump has suggested that he could send more letters to countries stipulating other tariff rates.

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