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Thailand Seeks Tariff Relief Through U.S. Trade Negotiations Ahead of August Deadline

As the United States' 90-day tariff reprieve is set to lapse on 1 August 2025, the Thai government is taking concerted steps to negotiate a resolution and mitigate the potential imposition of a 36% import tariff under the U.S. reciprocal tariff framework. In response, Thailand has submitted a comprehensive trade package, offered market-opening concessions, and initiated compliance reforms in a bid to preserve its export competitiveness while avoiding a trade confrontation with the United States.

Deputy Finance Minister confirmed that Thailand is engaged in ongoing negotiations with the U.S. Trade Representative (USTR), emphasizing that these discussions are inherently multi-staged and complex. Deputy Finance Minister cited a meeting held on 3 July 2025 in Washington D.C., led by the Finance Minister, as part of a high-level engagement with USTR officials. The Thai side conveyed its intent to rebalance bilateral trade, address regulatory gaps, and improve transparency in origin certification—all key concerns under U.S. trade law.

From a legal standpoint, Thailand has formally committed to strengthen legal compliance mechanisms, particularly concerning mislabeling of origin and third-country transshipment—issues that have drawn heightened scrutiny under U.S. customs enforcement laws. In May 2025, the Department of Foreign Trade has tightened export controls regulation by issuing the regulation on verification and certification of product origin for the exporter exporting certain product to the U.S.

Additionally, Thailand's proposed concessions and tariff elimination are both substantive and symbolic, underscoring a strategic alignment with U.S. trade interests. These include:

- Expanded imports of U.S. goods, including liquefied natural gas (LNG), ethane, and Boeing aircraft, reflecting a politically calibrated effort to reduce the U.S. trade deficit with Thailand.
- Commitments by Thai state-owned and private enterprises such as PTT Global Chemical, SCG Chemicals, and Thai Airways to enter into long-term procurement contracts with U.S. suppliers.

- Active engagement with the U.S. Grains Council and other agricultural stakeholders to signal readiness for broader agro-industrial cooperation.

- Thailand has offered to eliminate import tariffs on a wide range of U.S. products. (i.e., both agricultural and industrial goods.)

If accepted, the deal could enable Thailand to sidestep the punitive 36% export tariff and instead secure a more favorable rate.
While no official deal has yet been announced, sources at the Ministry of Finance suggest that negotiations may have reached a tentative understanding, with outcomes leaning "in a positive direction." The Thai delegation is expected to return shortly, and any final agreement would likely be framed under the existing bilateral trade frameworks, without requiring treaty renegotiation.

Should you have any question, please do not hesitate to contact us via info@bgloballaw.com