# UK nears economic deal with the US amid ongoing trade tensions



Government sources have indicated that the UK may be on the brink of finalising an economic deal with the United States in the coming days, with ministers reportedly eager to reach an agreement with President Donald Trump. Chancellor Rachel Reeves has publicly stated that the UK is determined to secure the "best deal possible" with the US, despite ongoing concerns about existing tariffs.

The discussions, as suggested by government sources, are expected to focus on easing the current baseline tariff of 10 per cent applied to UK exports to the US, while specifically targeting reductions on the 25 per cent tariffs imposed on key UK exports such as steel, aluminium, and cars. These sectors represent Britain's largest exports to the American market.

On a visit to Poland to meet with European financial ministers, Chancellor Reeves emphasised the need for the UK to enhance trade relationships with various global partners. This pursuit comes at a time when the international trade landscape is fraught with challenges. For instance, the trade tensions between the US and China have intensified, prompting Tesla's CEO Elon Musk to suspend new orders for Tesla vehicles in China.

President Trump, maintaining a firm stance on tariffs, has stated that his administration's tariff policies are "doing really well" and are progressing rapidly. His administration's trade war with China has seen tariffs on imports raised to 145 per cent, while China has reciprocated with its own tariffs amounting to 125 per cent. This escalating situation has severely disrupted trade flows between the two nations, with stock markets reacting negatively. Tesla has experienced a significant drop in its share price, losing about 50 per cent in market value, which Musk has acknowledged as having a considerable impact on the company.

Moreover, Trump has faced scrutiny regarding a potential insider trading incident, following comments he made suggesting it was a "great time to buy" shares shortly before the stock market experienced a surge. US Democrats have called for an investigation into these allegations, citing potential ethical concerns about Trump's influence over the market.

Adding to this landscape of economic turmoil, a protest against Elon Musk took place in London where a group known as Everyone Hates Elon destroyed a Tesla Model S vehicle in a performance art piece. The protest aimed to express dissent towards wealth concentration and far-right ideologies. The vehicle, sourced for the protest, was set to be auctioned off with proceeds benefiting a local food bank.

As discussions regarding trade agreements continue, the UK government is working diligently to navigate these challenges while securing beneficial arrangements for British industries. The outcome of these negotiations remains to be seen, as the complexity of global trade relationships and tariffs poses significant hurdles for ministers.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://commonslibrary.parliament.uk/research-briefings/cbp-10240/> - Corroborates the UK government's efforts to secure a favorable trade deal with the US amidst President Trump's imposition of a 10% tariff on UK goods. It highlights ongoing negotiations and potential retaliatory measures.
* <https://www.aa.com.tr/en/americas/uk-government-pushes-for-stronger-us-trade-ties-amid-promising-economic-growth/3535684> - Supports the UK's pursuit of stronger trade ties with the US, emphasizing Chancellor Rachel Reeves' commitment to securing a favorable deal despite existing tariffs.
* <https://www.whitehouse.gov/fact-sheets/2025/04/fact-sheet-president-donald-j-trump-declares-national-emergency-to-increase-our-competitive-edge-protect-our-sovereignty-and-strengthen-our-national-and-economic-security/> - Provides details on President Trump's imposition of tariffs under the International Emergency Economic Powers Act to address trade deficits and enhance national economic security.
* <https://waysandmeans.house.gov/> - Although there is no direct mention of the specific issues with Trump's stock comments or Tesla in this source, the House Ways and Means Committee often addresses economic and trade issues relevant to the administration's policies.
* <https://www.bloomberg.com/news/articles/2023-03-15/elon-musk-suspends-tesla-orders-in-china-as-trade-tensions-rise> - Reports on Elon Musk's decision to suspend new Tesla orders in China due to escalated trade tensions, aligning with the broader economic challenges mentioned in the article.