TARIFFS

Starting August 1, the US will impose 30% tariffs on all imports from the EU and Mexico, targeting key commodities such as steel, energy, and automotive products. The move was announced by former President Donald Trump in letters to the leaders of both regions, citing unresolved issues such as Mexico's failure to curb drug cartels and the EU's trade surplus with the US. Trump suggested that the tariffs would not apply to products built or manufactured within the US. It remains unclear whether these new tariffs conflict with existing agreements under the USMCA. Additional warnings were made against transshipment efforts to evade the tariffs. This decision adds uncertainty to the metals market, which is already facing 50% tariffs on steel, aluminum, and copper. These have contributed to construction delays in the US. After peaking at $950/st in March, US steel prices have since declined to $870/st as of July 11. The EU currently sends 17% of its exportable finished steel to the US, and Mexican exports to the US include automobiles, crude oil, and agricultural imports such as corn, pork, and beef. Mexico also plays a key role in US refined product demand. The US maintains its largest trade deficit with Mexico, according to the Census Bureau. The tariffs come amid a broader campaign by Trump to reshape US trade terms with key partners including Canada, which also faces new duties. (SP Global)

COAL

China’s June coal imports sink to more than two-year low, General Administration of Customs data, as the country’s miners ramped up domestic production to replace lower-grade coal imports. China’s June imports were 33.04 million metric tons, the lowest level since February 2023 and down 26 per cent from June a year earlier, down by 8% from May. For the first half of 2025, imports fell 11 per cent year-on-year to 221.7 million tons. For the full year, imports could fall between 50 and 100 million tons, China Coal Transportation and Distribution Association vice president Li Xuegang told the Coaltrans China conference last month. That would equate to as much as an 18 per cent year-on-year drop. Meanwhile, China’s coal output rose 6 percent year-on-year in January-May. As China shifts toward imports of higher-grade coal, that will translate to a reduction in aggregate import tonnage for any given level of energy production, LSEG analysts wrote in a note last week. (energy.economictimes)

GRAIN

The Russian Federation is facing a downturn in its agro-industrial sector, marked by falling profitability and rising agricultural and industrial imports, according to Ukraine's Foreign Intelligence Service (FISU). Despite official claims of self-sufficiency in grain, oil, sugar, and meat, the sector’s investment appeal is weakening. Profitability has dropped from 20.3% in 2022 to 18.2% in 2025 — well below the 30% threshold considered attractive for investors. Key structural issues include heavy dependence on imported seeds, especially for sugar beets and potatoes, and surging credit costs that are making domestic agricultural machinery less affordable. As a result, sales of Russian-made equipment declined by 32% in the first four months of 2025. Simultaneously, agricultural imports have risen to $12.9 billion, a 12.5% increase over the same period in 2024. Broader trade logistics are also strained, with delivery times from neighboring countries such as Armenia and Kazakhstan now reaching up to 45 days due to intensified customs checks — particularly for dual-use goods. (www.ukrinform.net)

OIL

India’s crude oil imports from Russia climbed to their highest in nearly a year in June, as refiners stocked up amid tensions in West Asia, particularly the Israel-Iran conflict, reported PTI. According to data from Kpler, a global commodity tracking firm, India imported 2.08 million barrels per day (bpd) of Russian crude last month, the highest since July 2024. India depends on imports for over 85 per cent of its crude oil needs. While the Middle East was historically the dominant source, Russia has steadily emerged as the top supplier over the past three years. After Moscow’s invasion of Ukraine in February 2022, Western sanctions pushed Russian producers to offer deep discounts, prompting Indian refiners to shift gears. Russia now accounts for roughly 40 per cent of India’s total crude imports. In contrast, imports from Iraq — India’s second-largest oil supplier — fell to 893,000 bpd in June, a drop of 17.2 per cent from the previous month. Saudi Arabia held steady with 581,000 bpd, while shipments from the UAE increased 6.5 per cent to 490,000 bpd. Iraq made up 18.5 per cent of India’s oil imports, followed by Saudi Arabia at 12.1 per cent and the UAE at 10.2 per cent. The US remained in fifth place with 303,000 bpd and a 6.3 per cent share, according to Kpler data. (Reuters)

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