

## MEDIA ALERT

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### UNCTAD: ESCALATING TARIFFS RISK DEEPENING TRADE DIVIDES FOR VULNERABLE ECONOMIES



*Geneva, 22 May 2025* - A wave of new import tariffs is set to reshape global trade dynamics and significantly raise trade costs for many developing countries, alerts UN Trade and Development (UNCTAD) in a new data-driven analysis, titled "[Sparing the vulnerable: The cost of new tariff burdens](#)". The vulnerable economies most exposed - including Least Developed Countries and Small Island Developing States - typically account for a tiny share of global trade, yet now face some of the steepest tariff increases.

#### What's changing:

- US tariffs may jump to over 25% for 22 developing economies in July 2025, including seven least developed countries.
- Some tariff hikes, particularly on Chinese imports, have exceeded 100%, even after recent adjustments.
- New tariffs apply regardless of existing trade agreements or World Trade Organization (WTO) rules. This includes countries previously benefiting from preferential terms.

#### Who's affected most:

- Least Developed Countries (LDCs) and developing countries in Asia and Oceania face the steepest increases.
- Tariffs on LDCs have already doubled in April and could rise nearly threefold in July - from 16% to 44%.
- For Latin America and the Caribbean, tariff levels have risen over 40 times, from less than 0.5% to 13%.
- Even without China, tariffs on developing countries in Asia and Oceania have already risen to 13% and could further increase to 24%.
- Key sectors like agriculture and textiles, crucial for many vulnerable economies, are especially exposed.

### Why this matters now:

On 2 April 2025, the United States imposed a universal 10% tariff on all imports. Additional country-specific tariffs are set to take effect in early July, following the expiration of a 90-day pause. These measures will raise the cost of market access - even for countries with minimal contribution to global trade imbalances. Vulnerable economies could see export prospects shrink, despite these economies representing only 0.3% of the US trade deficit.

### More insights in the new data story:

- Country-level tariff estimates and interactive visualizations
- Tariff escalation scenarios by region and development status
- Policy guidance to reduce harm and support development resilience

### Access the story and visuals:

- Full report: [Sparing the vulnerable: The cost of new tariff burdens](#)
- [Visual Data](#)

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### About UN Trade and Development:

UN Trade and Development (UNCTAD) is dedicated to promoting inclusive and sustainable development through trade and investment. With a diverse membership, it empowers countries to harness trade for prosperity.

*Note to Editors: Additional background information and quotes can be provided upon request.*

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