

## Trump's Trade War Faces Prolonged Standoff Compared to Swift Iran Strike

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President Trump's June 21, 2025, military strikes on Iranian nuclear facilities, part of Operation Midnight Hammer, showcased his ability to act decisively when armed with overwhelming force, such as the GBU-57A/B "bunker buster" bombs capable of penetrating hardened underground sites. The operation concluded in a matter of hours, allowing Trump to declare a swift and overwhelming victory, with Iran's key enrichment sites at Fordow, Natanz, and Isfahan reportedly neutralized. Yet, in his ongoing trade war with multiple countries, President Trump lacks a decisive tool, and the economic conflict is evolving into a protracted, attritional campaign.

Trump frequently expresses confidence, claiming that imposing steep tariffs will damage foreign economies and compel them to comply with U.S. trade demands. However, this bravado obscures a reality in which his economic leverage is more limited than portrayed, and foreign governments are well aware of the constraints. Unlike Iran's strike e here Iran's degraded air defenses gave Trump a tactical advantage, the trade war pits the U.S. against resilient economies capable of retaliating, making a swift resolution improbable.

The Iran operation demonstrated Trump's readiness to take bold military risks when he perceives the odds are tilted in his favor. As Eliot Cohen of the Johns Hopkins School of Advanced International Studies remarked in a June 2025 interview, Trump has a "feral instinct for human weakness ... when his enemy is lying prostrate, he's happy to kick them in the head." With Iran's air defense network crippled and its leadership destabilized by Israel's preemptive air strikes, Trump acted decisively, breaking from previous presidents who favored diplomacy in similar moments.

This military decisiveness undermines the narrative that Trump consistently retreats under pressure, a perception labeled the "TACO trade" (Trump Always Chickens Out) by a Financial Times columnist in 2024. In contrast, on trade, Trump has largely followed through, raising the average U.S. import tariff from 2.5% to approximately 15% since entering office in January 202. American importers, who bear the cost of the tariffs, acknowledge that Trump has not wavered as often as his critics suggest.

In contrast to the Iran operation, the trade war lacks a defined endpoint or an achievable path to outright victory. With a July 9 deadline looming for dozens of countries to strike trade deals or face "reciprocal" tariffs, the stakes are high, but Trump's leverage is limited. His April 2 announcement of harsh tariffs triggered a market sell-off, prompting a week-long delay, a sign of weakness that hurt U.S. markets more than foreign ones. As Torsten Sløk, chief economist at Apollo, observed in a recent analysis, Trump may extend the deadline by up to a year, allowing markets to adapt while potentially pulling in \$400 billion in tariff revenue, a sharp rise from 2024 levels.

Markets have grown accustomed to Trump's tariff threats, with the S&P 500 rebounding close to its February peak. Investors seem unfazed, betting that Trump will avoid a "shock-and-awe" tariff escalation. Capital Economics noted on June 24 that even if trade deals falter, markets expect another deadline extension rather than chaos. "Any sell-off would likely prompt another u-turn," they argued, reflecting Trump's pattern of backing off when domestic fallout looms.

China, a key player in the trade war, illustrates the complexity of Trump's challenge. After imposing tariffs as high as 145% in April, Trump scaled them back to 30% in May, a move some called a "truce" that dented his credibility. China retaliated by restricting exports of rare-earth magnets, which it controls 90% of globally, threatening U.S. industries from automotive to defense. This countermove underscores that Trump's vision of revitalizing American manufacturing hinges on access to critical components that China can choke off.

Trump's strategy appears to rely on ambiguity, delaying clear demands to maintain flexibility in negotiations. Yet, this risks painting him as a bluffer, especially as adversaries like China hold firm. The longer he extends deadlines, the less credible his threats become, and markets are betting on more delays rather than decisive action.

The trade war's protracted nature contrasts sharply with the Iran strike's brevity. Without a game-changing weapon, Trump faces a slog where victories are incremental and costly. Investors, buoyed by a recovering S&P 500, seem relieved that no catastrophic tariff escalation looms. For now, the trade war remains a test of endurance, not a knockout blow, and Trump's adversaries are ready to play the long game.