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Trump Delays Tariff Rollout, Extends Uncertainty Over Global Trade

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President Donald Trump's newly announced tariffs on imports from 66 countries, including key partners like the European Union (EU), Taiwan, and Switzerland, will now take effect on August 7, seven days later than initially planned. The delay, announced in a White House order titled "Further Modifying the Reciprocal Tariff Rates," was made to allow for updates to the tariff schedule, injecting further uncertainty into global markets already bracing for economic consequences.

The tariffs, which range from 10% to 41% depending on the country and product, affect nearly $3 trillion in imported goods. Trump, in an interview with NBC News, maintained the rollout was "very well, very smooth," while acknowledging the possibility of reaching new deals in the coming weeks. The move follows his earlier tariff initiative in April, referred to by Trump as "Liberation Day," which temporarily shook markets and prompted a 90-day negotiation period with foreign governments.

Notable adjustments include a 39% tariff on goods from Switzerland, an increase from the 31% initially proposed in April, while Liechtenstein saw a reduction from 37% to 15%. Countries not explicitly listed in the latest order will face a default 10% tariff. Meanwhile, some allies received temporary relief: the United Kingdom and Australia will be subject to 10% rates, and Mexico secured a 90-day negotiation window to delay its 25% tariff.

Trump has argued that these tariffs will stimulate domestic job growth, reduce trade deficits, and pressure foreign governments to engage more fairly with the United States. However, concerns persist from both international leaders and domestic businesses about the potential fallout. Ford Motor Co. projected a $2 billion reduction in annual earnings, while French skincare brand Yon-Ka warned of hiring freezes and price increases.

Trade talks have reportedly advanced with Japan, South Korea, Indonesia, and the Philippines, though specific agreements were not disclosed. The EU is still awaiting a finalized 15% tariff agreement, while Canada faced a revised 35% tariff on fentanyl-related products following a phone call between Trump and Canadian officials. Prime Minister Mark Carney later expressed doubts about future U.S.–Canada alignment, noting that America could no longer be considered a reliable ally.

India, which now faces a 25% U.S. tariff, may see its hopes of drawing manufacturing away from China diminish. China itself is still in ongoing trade negotiations with the U.S. while facing a 30% tariff and enforcing a 10% retaliatory duty on American imports. Trump's trade posture continues to emphasize economic leverage, but it comes with complex consequences.

The legal foundation of the tariffs remains under scrutiny. A U.S. Court of Appeals panel heard arguments challenging Trump's use of a 1977 statute International Emergency Economic Powers Act (IEEPA), as justification for bypassing congressional approval. Judge Todd Hughes expressed concern about the broad scope of power the administration claimed. While no decision has been made, the case is likely to reach the U.S. Supreme Court.

Despite economic and legal pushback, the Trump administration has pointed to increased customs revenue at $127 billion collected this year, up from $57 billion in the previous year, as evidence that the policy is helping reduce the federal deficit. Still, key economic indicators suggest mixed results. The U.S. has 14,000 fewer manufacturing jobs than it did in April, and inflation remains a concern.