

Unpredictable Trump Tariffs Leave U.S. Trading Partners Scrambling

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Former President Donald Trump’s abrupt and often shifting trade strategies are leaving U.S. allies and trading partners uncertain, complicating negotiations and casting doubt on future economic ties. Despite some initial successes, Trump’s reliance on steep tariffs and last-minute policy changes continues to raise concerns abroad.

In a bold move, Trump recently announced a 30% tariff, effectively a tax on Canadian imports, effective August 1. The decision came just weeks after Canada scrapped its proposed digital services tax, which had targeted major U.S. tech companies, to appease

the United States and push forward a bilateral deal. The tariff announcement, issued in a letter to Canadian Prime Minister Mark Carney, caught Ottawa off guard, especially as it was made days before a hoped-for agreement deadline of July 21.

Trump's actions haven't stopped with Canada. In an interview with the National Broadcasting Company (NBC) News, he suggested raising his "baseline" tariff on most imports from 10% to potentially 20% a move he claims would help pay for tax cuts signed into law under his "One Big Beautiful Bill" on July 4. Trump has framed this approach as a win for American workers and industries, though critics argue it risks trade retaliation.

Brazil was also targeted. On July 10, Trump imposed a 50% import tax on Brazilian goods, citing the country's treatment of former Brazilian President Jair Bolsonaro. In a letter to current President Luiz Inácio Lula da Silva, Trump wrongly accused Brazil of creating a trade deficit with the United States, despite U.S. government data showing an export surplus with Brazil for the past 18 years, including a \$29 billion surplus last year alone.

According to Eswar Prasad, a professor of trade policy at Cornell University, the pattern signals Trump's broader ambitions: "Trump seems to view tariffs as an instrument to influence not just other countries' trade and economic policies but even their domestic legal and political matters."

On April 2, Trump introduced a global 10% "baseline tariff," alongside potential "reciprocal" tariffs of up to 50% targeting countries with trade surpluses against the United States. After markets reacted negatively, the reciprocal tariffs were suspended for 90 days with a promise to secure "90 deals in 90 days." Ultimately, only two countries, Vietnam and the United Kingdom, agreed to terms within the deadline.

Chad Bown, senior fellow at the Peterson Institute for International Economics, noted that time is a critical barrier: "These countries have their domestic challenges... Those just aren't problems that can easily be solved in a matter of weeks."

Countries like Malaysia have expressed resistance to U.S. demands, citing "non-negotiables" on digital taxes, government procurement, and food certification standards. However, Malaysia did offer to purchase 30 aircraft from Boeing and provide access in areas like semiconductors.

Despite the challenges, some nations continue to engage, understanding the leverage the United States holds. “These countries need the United States,” said Matthew Goodman, director of the Greenberg Center for Geoeconomic Studies at the Council on Foreign Relations. “They need our market.”

Thailand is working to avoid a looming 36% tariff by opening up to more U.S. exports, while Vietnam has reportedly granted duty-free access to American firms in exchange for accepting a 20% tariff on its exports, a deal Trump allies have praised for being favorable to the United States.

Yet not all countries are willing to fold. Canada, for instance, saw political gains after standing firm, with Carney’s Liberal Party winning an upset victory in April amid public support for resisting U.S. pressure. Additionally, countries like Canada are now seeking deeper trade ties with Southeast Asia and China, signaling a long-term shift away from reliance on the U.S.

William Reinsch, a former U.S. trade official, summed up the dynamic: “What’s important to is winning the public, visible appearance of winning. And what he wins is less important. So the trick for these countries becomes: ‘How do we let him win in a way that allows us to make the least damaging concessions?’”

As Trump eyes further tariff action starting August 1, America’s trading partners face mounting pressure to choose between protecting domestic priorities or preserving access to the world’s largest consumer market.

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