
Trump's Tariff Uncertainty

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Minutes after China applied tariffs of up to 125% on products imported from the United States, in response to the 145% tariff Trump decreed against the Asian giant in his trade war with the world, a well-known resident of the southern Florida Keys reported that a cell phone could now cost up to \$5,000, without a charger, while a relative in Georgia expressed distress that everything is more expensive now and it takes a long time to find a job.

This is just the beginning of Trump's era in the tariffs department, which has hurt many of those who voted for Trump, who is losing popularity even in polls sponsored by pro-Trump organizations like Fox.

Although he has temporarily suspended tariffs against his two Free Trade Agreement partners, they sold 40% of the products the United States buys in 2024.

Simply put, everything the United States imports from these three countries is subject to the controversial tariffs, and the prices of many products could rise.

The rise in product prices for Americans will depend on how much of these tariffs companies can absorb, either by minimizing costs with a new supply plan or by the amount of inventory.

AGGRAVATED PRODUCTS

But which products will feel the brunt of the trade war the most?

One of the products that could be affected by the tariffs imposed by the United States is food, especially Mexico and Canada, which are major suppliers in this category.

Mexico is the main supplier of fruits and vegetables to the United States, and Canada leads the export of livestock, meat, poultry, and grains, among others.

Along these lines, these products are expected to begin selling at higher prices, mainly because retailers have narrower profit margins and, therefore, are unable to absorb the costs of the higher tariffs.

When this happens, many companies decide to pass this price difference on to consumers.

In the case of China, the goods it mainly imports are electronics such as televisions, cell phones, computers, video game consoles, monitors, cameras, and their components, and with the new taxes, the prices of these products are already rising.

According to Footwear Distributors & Retailers of America, the trade group representing Nike, Steve Madden, and other brands, 99% of footwear sold in the United States is imported, and more than half (56%) is manufactured in China.

Likewise, products such as soccer balls, baseballs, all types of toys, and sports equipment in general are often imported from China.

Although some vehicle brands are manufactured exclusively in the United States, others use the borders of Mexico and Canada during this process to ship parts necessary for the complete assembly of a car.

According to Peter Nagle, automotive economist at S&P Global Mobility, in an interview with CNN, "There is probably not a single vehicle on the market today that is not affected in some way by tariffs."

Furthermore, according to estimates from the Anderson Economic Group, the cost of producing a car in the United States is expected to increase by between \$3,500 and \$12,000, leading companies to cut production and reduce jobs in this industry.

Other trends, such as industrial automation and technological innovation, particularly in electronic products like televisions, have also lowered prices. However, imports help keep prices in check, economists say, in part because of lower labor costs abroad and because increased competition in the U.S. market forces American companies to become more efficient.

"Freer trade has helped moderate inflation over the long term," said Scott Lincicome, a trade analyst at the libertarian Cato Institute. "If we get into a tighter supply situation... we're likely to see more expensive products," he added.

JUST THE BEGINNING

And this is just the beginning of an event that has already cost Americans \$115 million and wiped out \$4 billion in stocks, provoked the rejection of world leaders and dealt a severe blow to the global economy.

Trump, who, in the style of a lifeguard, has temporarily frozen such punishment for 70 other countries, spilled his bile on China:

"Due to the lack of respect China has shown toward global markets, I hereby increase the tariff the United States imposes on China to 125% (already up to 145%), effective immediately. At some point, hopefully in the near future, China will realize that the era of ripping off the United States and other countries is no longer sustainable or acceptable."

And as expected in the face of Trumpian arrogance, a spokesperson for the Chinese government's Ministry of Commerce declared that the country is prepared to fight to the bitter end. He added: "The intermittent increase in abnormally high tariffs against China by the United States has become a numbers game, with no practical economic relevance, and will become a joke in the history of the world economy. However, if the United States insists on continuing to substantially harm China's interests, China will resolutely counterattack and fight to the bitter end."

NO FEAR

A Global Times editorial explains China's leverage to confront the tariff war launched by the US government. Citing Chinese officials, it asserts that Beijing does not want to be part of this fight, but is not afraid of it either. It notes that the country has shown the world that it can withstand pressure, remain firm, and assume great responsibility.

This stance was reflected in the decision to respond to the US tariffs, which it describes as "irrational." According to the outlet, these are necessary measures based on World Trade Organization rules, intended to defend its legitimate rights and interests, as well as to safeguard the multilateral trading system and the international economic order.

Furthermore, it cites a government document clarifying that economic and trade relations with the US are beneficial to both countries, and therefore they must find appropriate solutions to the current conflict through dialogue.

The Global Times explains why Trump's tariffs violate many countries' right to development and why the deglobalization initiated by his administration cannot change China's course or "shake the united will and collective strength" of its society. "China has always been committed to 'managing its own affairs well,'" it states. In this regard, it emphasizes that, domestically, it promotes high-quality development, values technological innovation, and pushes forward problem-solving reforms.

On the international front, Beijing "practices true multilateralism, shares development opportunities with the world through high-level openness, and contributes to building a community with a shared future for humanity."

Therefore, it asserts that China's economy has "ample room for maneuver, strong domestic potential, and vast external space." Consequently, "China's 'fight to the finish' is backed by strong confidence."

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