

Trump Trade Policy and the World Trade System

Douglas A. Irwin



Dartmouth



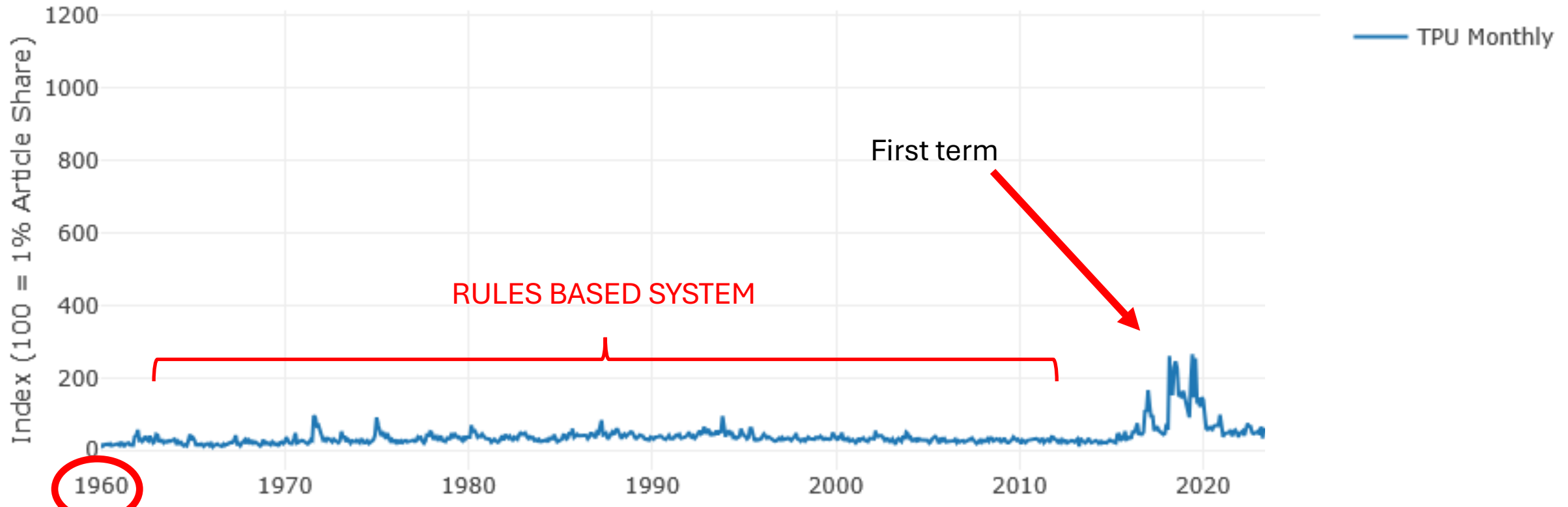
PIIE PETERSON INSTITUTE FOR
INTERNATIONAL ECONOMICS

NBER
NATIONAL BUREAU OF ECONOMIC RESEARCH

Trade Policy Uncertainty: Charts

Monthly Index

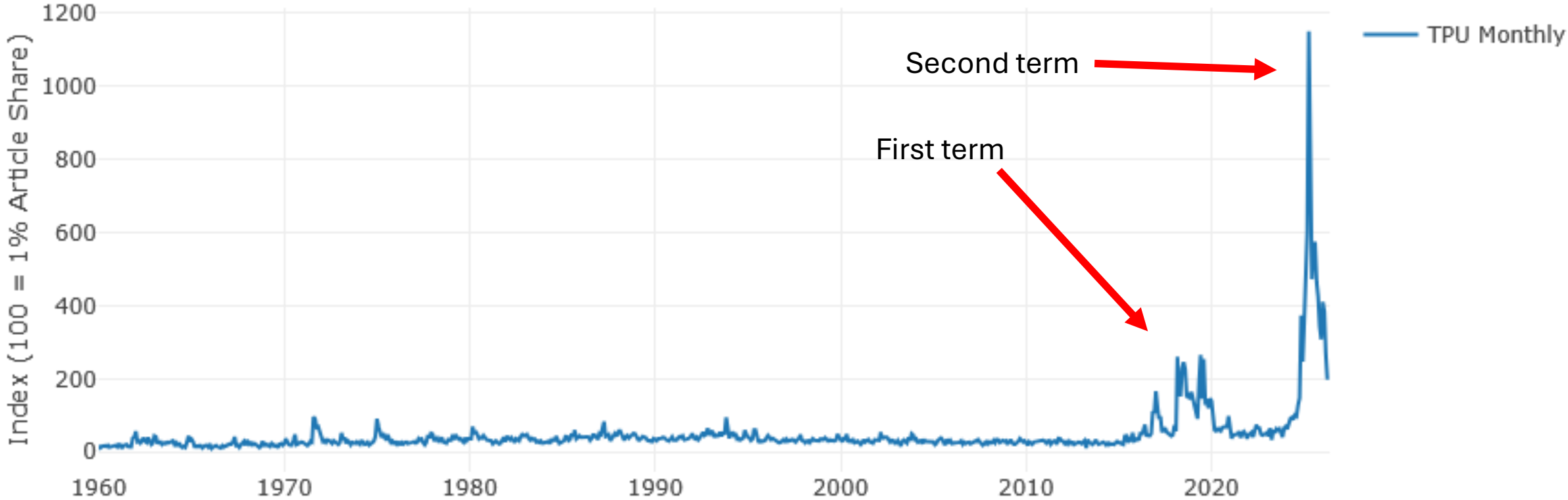
Daily Index

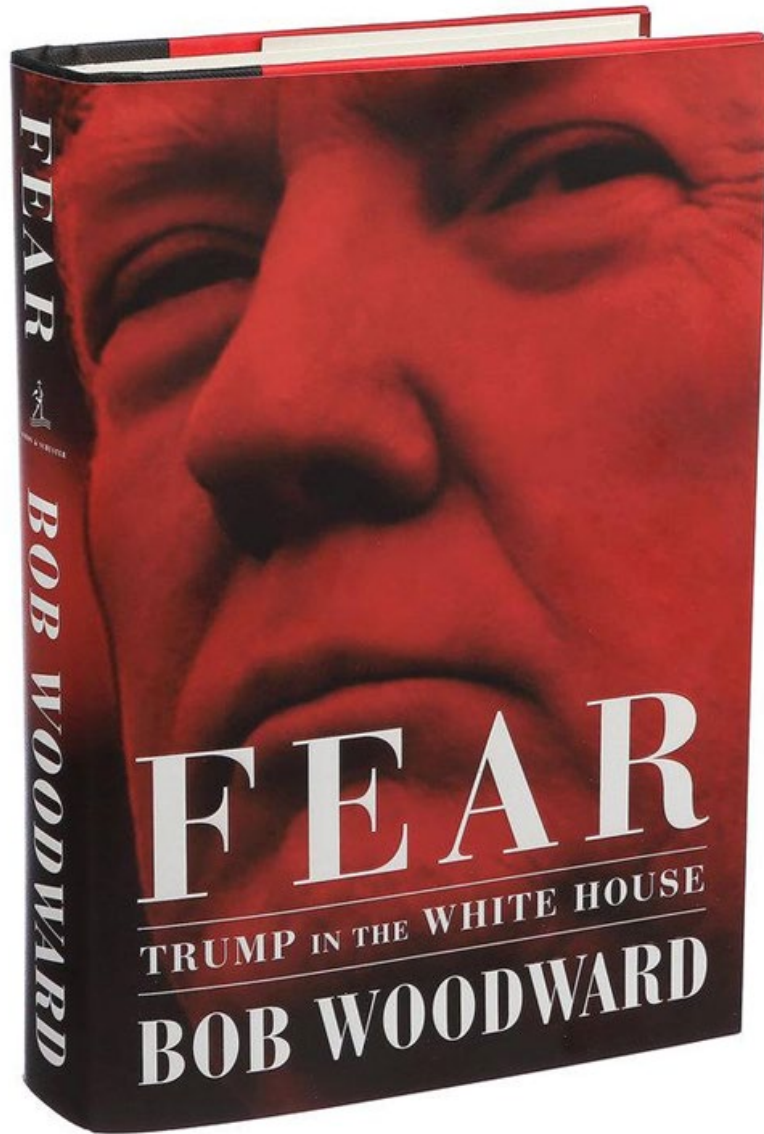


Trade Policy Uncertainty: Charts

Monthly Index

Daily Index





You've got a \$40 billion trade surplus with us. We're military allies with you. We're in every battle with you."

"Of course," Trump said, "we'll let you out. That makes total sense. You guys are great. We've got a big surplus with you guys"—the holy grail.

Gary Cohn, who was in the meeting, was pleased. Turnbull had previously been a partner at Goldman Sachs and had worked for Cohn when he was Goldman president.

Coming back from the G20 summit, Trump was editing an upcoming speech with Porter. Scribbling his thoughts in neat, clean penmanship, the president wrote, "TRADE IS BAD."

TRADE IS BAD

Though he never said it in a speech, he had finally found the summarizing phrase and truest expression of his protectionism, isolationism and fervent American nationalism.

Nearly eight months later, on February 23, 2018, Turnbull arrived at the White House to see the president.

In the prep session in the Oval Office for the meeting, Cohn reminded Trump of his pledge.

"Mr. President," Cohn said, "the first thing he's going to bring up is the steel tariffs. And he's going to remind you that you let him out."

"I don't remember," Trump said, sitting behind the Resolute Desk.

"Well, sir," Cohn said, "you had the conversation with him . . ."

"I'm going to deny it," Trump replied. "I never had that conversation with him."

From Bob Woodward's book

Cohn and Porter hoped signing the memo authorizing a 301 investigation would divert Trump from imposing steel and aluminum tariffs immediately.

Whenever either of them would challenge Trump's conviction on the importance of trade deficits and the need to impose tariffs, Trump was immovable. "I know I'm right," he said. "If you disagree with me, you're wrong."

A play in three acts

- Act I – First term
- Act II – Second term
 - Scene I – Liberation Day tariffs
 - Scene II – 10% Section 221 tariffs
 - Scene III – Section 301 tariffs
- Act III – The future

ACT I

First action: withdraw from TPP in January 2017







Donald J. Trump ✓

@realDonaldTrump

Follow



Just signed one of the most important, and largest, Trade Deals in U.S. and World History. The United States, Mexico and Canada worked so well together in crafting this great document. The terrible NAFTA will soon be gone. The USMCA will be fantastic for all!

6:45 AM - 30 Nov 2018

16,939 Retweets **71,293** Likes



15K



17K



71K



Trump Trade Policy, 2017-2021

- Withdraw from Trans-Pacific Partnership (TPP)
- Renegotiated NAFTA (USMCA), KORUS
- **Tough line with China (25% tariffs on \$300+ billion imports)**
- National security protection (25% on steel, aluminum)
- Safeguard protection (washing machines, solar panels)
- Disable WTO dispute settlement system

Trump Trade Policy, 2017-2021

- Withdraw from Trans-Pacific Partnership (TPP)
- Renegotiated NAFTA (USMCA), KORUS
- Tough line with China (25% tariffs on \$300+ billion imports)
- **National security protection (25% on steel, aluminum)**
- Safeguard protection (washing machines, solar panels)
- Disable WTO dispute settlement system

Trump Trade Policy, 2017-2021

- Withdraw from Trans-Pacific Partnership (TPP)
- Renegotiated NAFTA (USMCA), KORUS
- **Tough line with China (25% tariffs on \$300+ billion imports)**
- National security protection (25% on steel, aluminum)
- Safeguard protection (washing machines, solar panels)
- Disable WTO dispute settlement system

Pre-decisional/Deliberative

September 5, 2017

His Excellency Moon Jae-in
President of the Republic of Korea
The Blue House
Seoul
Republic of Korea

His Excellency Kim Hyun-chong
Minister for Trade
Ministry of Trade, Industry and Energy
402 Hannuri-daero
Sejong-si 30118
Republic of Korea

Dear Sirs:

The United States-Korea Free Trade Agreement (Agreement), in its current form, is not in the overall best interests of the United States economy. Thus, in accordance with Article 24.5 of the Agreement, the United States hereby provides notice that it wishes to terminate the Agreement. As prescribed by the terms of Article 24.5, the Agreement shall terminate 180 days after the date of this notice. During this period, the United States is prepared to negotiate with the Republic of Korea on economic issues of concern to both countries.

Respectfully,

Donald J. Trump
President of the United States

Robert E. Lighthizer
United States Trade Representative

Possible withdrawal from Korea-US Free Trade Agreement

The September 5, 2017, draft letter to the South Korean president withdrawing from the trade agreement. Gary Cohn took it from President Trump's Oval Office desk so it wouldn't be signed and sent.

Robert Lighthizer

No Trade Is Free

**Changing Course,
Taking on China,
and Helping
America's
Workers**

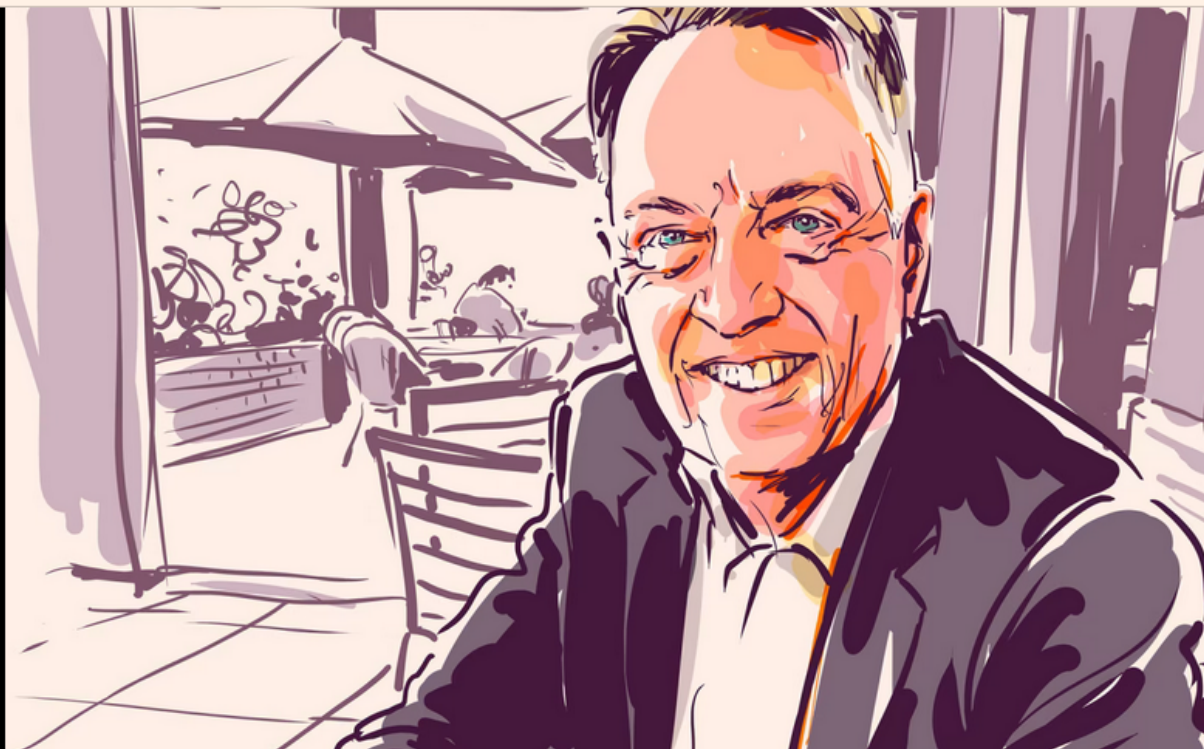


Lunch with the FT Life & Arts

Added

Former US trade chief Robert Lighthizer: ‘Economists have been wrong on everything!’

The architect of Trump’s first-term tariff policy on the end of free trade, swapping the White House for Wall Street — and why he considers the president ‘the most honest person’



Share

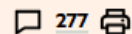


Save



Aime Williams

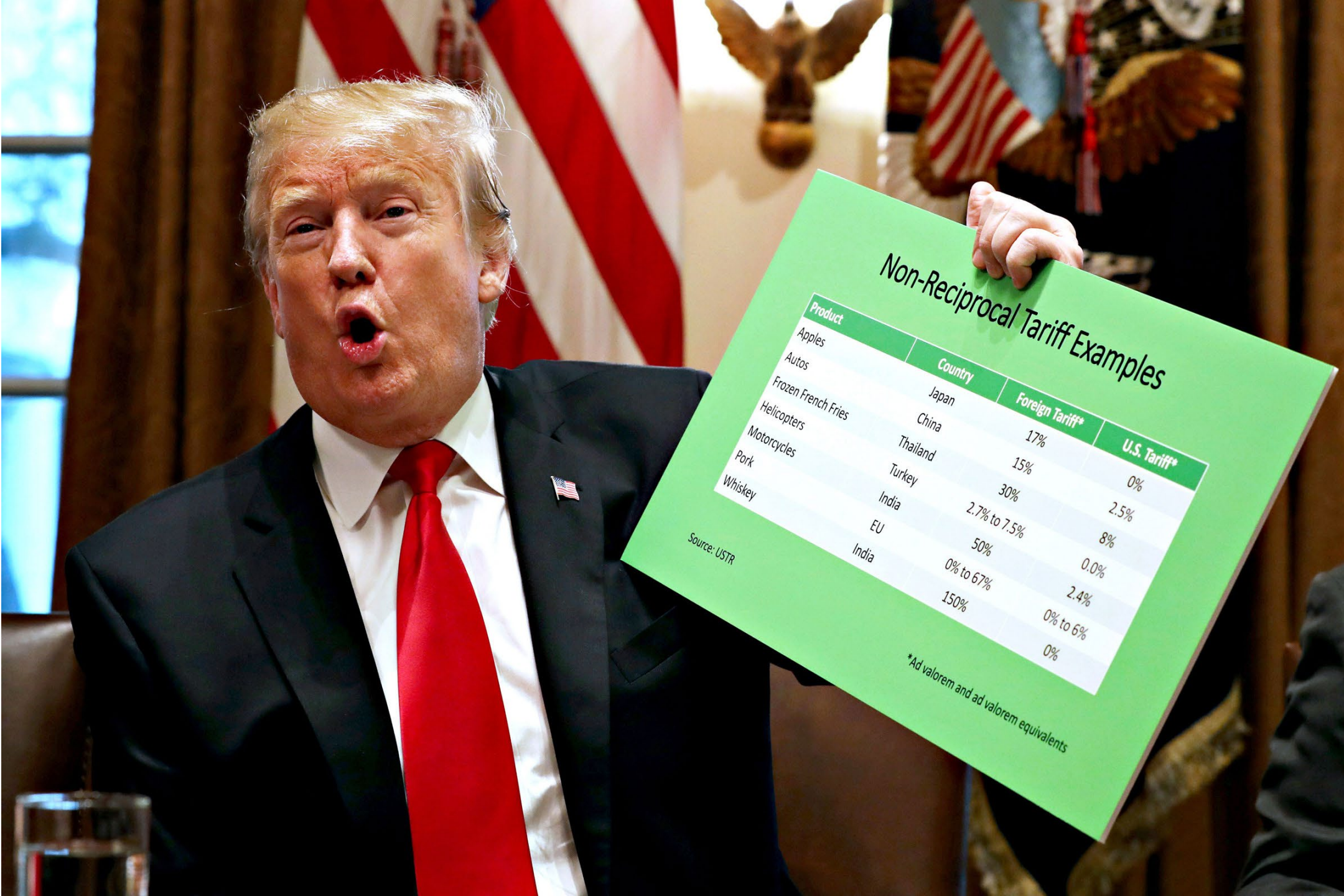
Published 14 HOURS AGO



Robert Lighthizer is a name that strikes fear into the hearts of diplomats. Plenty of seasoned foreign officials shudder as they recall bruising negotiations with Washington’s fearsome tariff zealot.

Lighthizer — known as Bob to his friends — was the US trade representative in Trump’s first-term cabinet. He went about the job, traditionally one of the more sedate, like nobody else. With his boss’s blessing, Lighthizer lit a fire under the global trading order — renegotiating US trade deals, attacking China and Europe with huge tariffs and railing against the World Trade Organization.

If it sounds familiar, it’s because Trump’s second term is the more intense



Non-Reciprocal Tariff Examples

Product	Country	Foreign Tariff*	U.S. Tariff*
Apples	Japan	17%	0%
Autos	China	15%	2.5%
Frozen French Fries	Thailand	30%	8%
Helicopters	Turkey	2.7% to 7.5%	0.0%
Motorcycles	India	50%	2.4%
Pork	EU	0% to 67%	0% to 6%
Whiskey	India	150%	0%

Source: USTR

*Ad valorem and ad valorem equivalents

US Fair and Reciprocal Tariff Act

DOCUMENT PAGES TEXT Zoom Search

SEC. 1. SHORT TITLE.

This Act may be cited as the "United States Fair and Reciprocal Tariff Act".

SEC. 2. FINDINGS.

Congress finds the following:

- (1) The United States maintains an open market for goods, with relatively low tariffs, and has long encouraged trading partners, both bilaterally and in multilateral fora, to liberalize their markets;
- (2) The United States is the world's largest importer of goods;
- (3) Trading partners of the United States in many instances impose significantly higher tariffs on U.S. goods than the United States imposes on the same or similar goods imported from those same countries;
- (4) Trading partners of the United States in many instances impose significant nontariff barriers that greatly undermine the value of negotiated tariff concessions;
- (5) The lack of reciprocity in tariff levels and disproportionate use of nontariff barriers by U.S. trading partners facilitates foreign imports, discourages U.S. exports, and puts U.S. producers, farmers, and workers at a competitive disadvantage;
- (6) The lack of reciprocity in tariff levels and nontariff barriers contributes to the large and growing U.S. trade deficit in goods, which is a drag on economic growth and undermines economic prosperity;
- (7) To date a number of U.S. trading partners have been unwilling, including in multilateral negotiations, to reduce tariff and eliminate nontariff barriers applied to U.S. exports; and
- (8) The President of the United States should have a wide array of tools to open the markets of U.S. trading partners and encourage participation in negotiations to liberalize trade in goods on a fair and reciprocal basis, including the authority to adjust tariff rates to reciprocal levels.

ACT II



The White House
@WhiteHouse

Follow

Mister Tariff



4.8K

2.9K

20.1K

1.2M





Donald J. Trump Posts From His...  · 3h 

LIBERATION DAY IN AMERICA IS COMING,
SOON. FOR YEARS WE HAVE BEEN RIPPED
OFF BY VIRTUALLY EVERY COUNTRY IN THE
WORLD, BOTH FRIEND AND FOE. BUT THOSE
DAYS ARE OVER — AMERICA FIRST!!!

Donald Trump Truth Social 3/27/25 01:39 AM

 205

 889

 4.6K

 88.4K



OPINION

‘Reciprocal’ Tariffs Make No Sense

By Douglas A. Irwin

At an Oval Office press conference Thursday, President Trump confirmed that he’s going ahead with his reciprocal tariff plan. The U.S., he said, will impose the same tariffs on other countries as they impose on the U.S.: “No more, no less.” That sounds fair—we treat them the way they treat us—but it’s actually a terrible idea.

It amounts to outsourcing U.S. tariff policy to other countries. They would dictate what our tariffs would be. If other countries put high tariffs on American goods, then we would impose high tariffs on their goods. So much for American sovereignty. So much for deciding what’s in our own national interest. The British economist Joan Robinson once said that a country shouldn’t throw rocks into its own harbors just because other countries have rocky coasts. The same principle applies here: The U.S. shouldn’t have stupid tariff policies just because other countries have stupid tariff policies.

A reciprocal policy would enormously complicate the U.S. tariff system. The Harmonized Tariff Schedule of the U.S., which details

individual rates on particular commodities, has about 13,000 line items. The U.S. trades with roughly 200 countries. Is Washington ready to impose and manage 2.6 million individual tariff rates? The lobbying pressures for exemptions and exceptions on the U.S. side would be enormous. This would fill the swamp, not drain it. Foreign exporters would go to great lengths either to get their products under a lower tariff classification or to transship them to another country to reduce the duty they would face.

Reciprocal tariff systems lead to nonsensical policies. Consider: China exports rare-earth minerals that are essential for the production of many high-technology goods. The U.S. doesn’t export such goods to China. But if China were nonetheless to impose high tariffs on them, would the U.S. then be required to impose real prohibitive duties on mineral imports from China?

It also isn’t clear if reciprocal really means reciprocal. Some U.S. industries are heavily protected from foreign competition. Will the U.S. match tariff rates on products from countries with lower tariffs on U.S. goods? If New Zealand doesn’t impose any import duties

on dairy products, will the U.S. allow all New Zealand dairy into the U.S. duty-free? If Brazil does the same for U.S. sugar exports, will the U.S. reciprocate? Someone should ask Wisconsin dairy farmers or Florida sugar barons if they are ready to face open competition.

How is it in America’s national interest to let other countries decide what duties we pay?

Behind the superficial appeal of reciprocal tariffs are two major fallacies. The first is that other countries are taking advantage of us in trade, and we know this because we have a trade deficit. But macroeconomic factors, such as the balance between domestic savings and investment and the flow of capital between countries, determine the trade balance—not tariffs. The U.S.-Mexico-Canada agreement, the Trump-negotiated successor agreement to Nafta, ensures that U.S. goods have duty-free access to Mexico and Canada, as we also provide them. That’s equal

treatment, or pure reciprocity, but it doesn’t guarantee balanced trade. The U.S. runs trade surpluses with Australia, Brazil, the Netherlands, the U.K., Singapore and most of Central and South America. Is the U.S. exploiting those countries? Does our trade surplus justify their putting tariffs on our goods?

Another fallacy is that other countries’ value-added taxes constitute discrimination against the U.S. Most European countries tax imported goods because they also levy taxes on domestic producers. In the end, VATs are taxes on consumption and don’t discriminate against imports. Even Adam Smith, a champion of free trade, accepted the idea that tariffs designed to equalize the tax treatment of domestic and foreign goods are legitimate because they level the playing field.

Reciprocal tariffs don’t make sense even using the mercantilist logic that pervades the Trump administration. A prolonged bout of inflation has made the American public sensitive about prices. The U.S. shouldn’t be imposing tariffs that will raise the cost of living for American consumers on all manner of goods and justify it on the illusory basis of fairness and reciprocity. If

we truly want reciprocity—meaning zero tariffs on both sides—then the answer is to conclude free-trade agreements with willing partners. The U.S. could and should be negotiating such trade agreements with the European Union, Japan and other trading partners and allies. But the Trump administration is obsessed with mercantilism and trade balances.

Even worse, by threatening Canada, Mexico and Colombia (with which we have free-trade agreements) with stiff tariffs over non-trade issues, the Trump administration has undermined the value of such agreements. If they no longer constrain U.S. policy, they’re no longer credible.

The Trump administration thinks it’s using tariffs to beat up other countries. In reality, U.S. businesses and consumers will take the hit. Even Mr. Trump’s hero William McKinley said, “Commercial wars are unprofitable.” Sadly, it’s advice that the administration seems likely to ignore.

Mr. Irwin is an economics professor at Dartmouth College and author of “Clashing Over Commerce: A History of U.S. Trade Policy.”

2 April 2025 – Liberation Day



They charge us, we charge them . . .





The White House

@WhiteHouse

Follow

LIBERATION DAY RECIPROCAL TARIFFS

 Reciprocal Tariffs

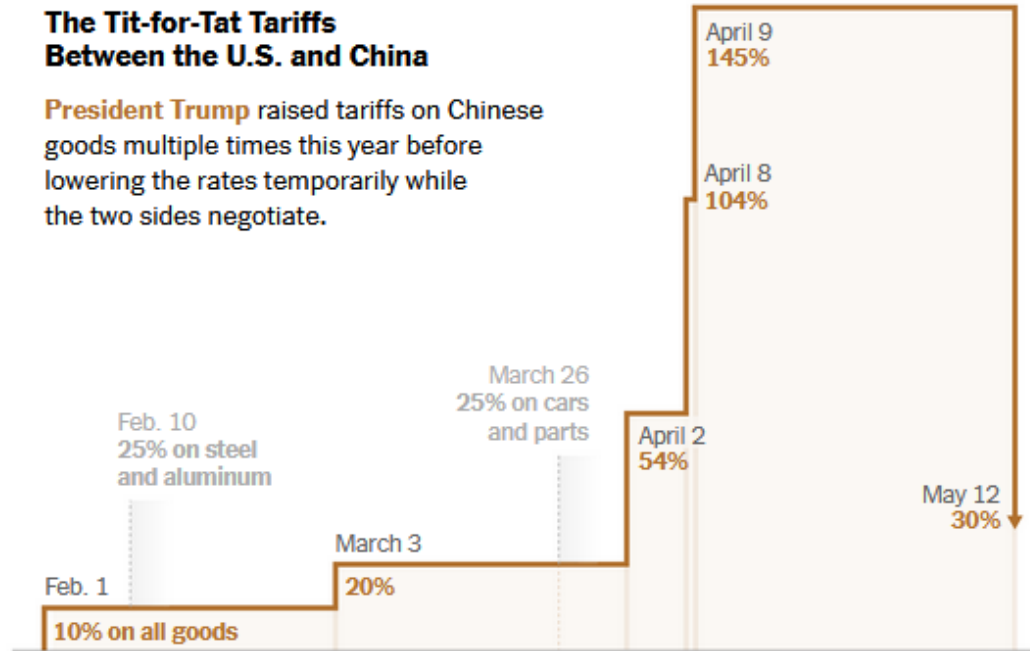
Country	Tariffs Charged to the U.S.A. including Currency Manipulation and Trade Barriers	U.S.A. Discounted Reciprocal Tariffs
China	67%	34%
European Union	39%	20%
Vietnam	90%	46%
Taiwan	64%	32%
Japan	46%	24%
India	52%	26%
South Korea	50%	25%
Thailand	72%	36%
Switzerland	61%	31%
Indonesia	64%	32%
Malaysia	47%	24%
Cambodia	97%	49%
United Kingdom	10%	10%
South Africa	60%	30%
Brazil	10%	10%
Bangladesh	74%	37%
Singapore	10%	10%
Israel	33%	17%
Philippines	34%	17%
Chile	10%	10%
Australia	10%	10%
Pakistan	58%	29%
Turkey	10%	10%
Sri Lanka	88%	44%
Colombia	10%	10%

 Reciprocal Tariffs

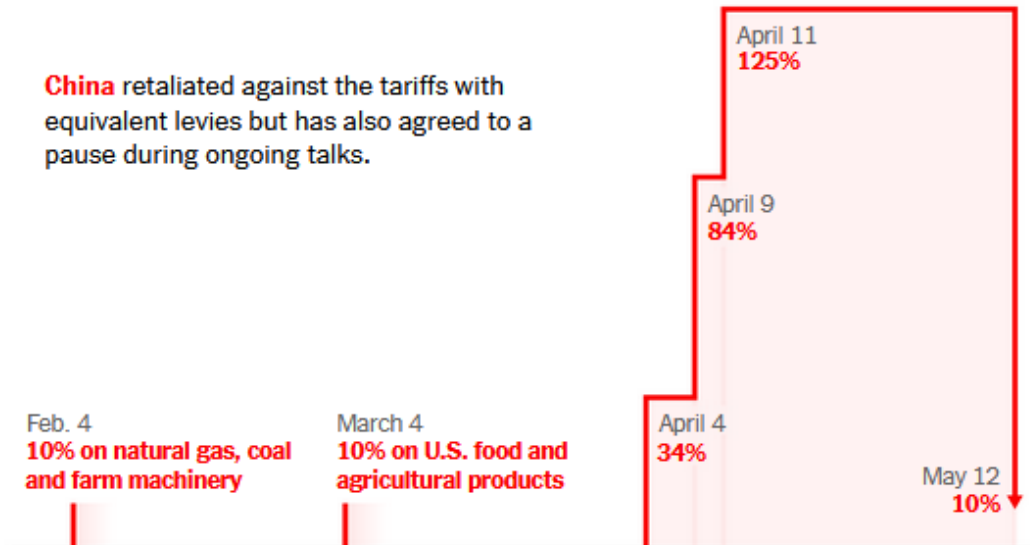
Country	Tariffs Charged to the U.S.A. including Currency Manipulation and Trade Barriers	U.S.A. Discounted Reciprocal Tariffs
Peru	10%	10%
Nicaragua	36%	18%
Norway	30%	15%
Costa Rica	17%	10%
Jordan	40%	20%
Dominican Republic	10%	10%
United Arab Emirates	10%	10%
New Zealand	20%	10%
Argentina	10%	10%
Ecuador	12%	10%
Guatemala	10%	10%
Honduras	10%	10%
Madagascar	93%	47%
Myanmar (Burma)	88%	44%
Tunisia	55%	28%
Kazakhstan	54%	27%
Serbia	74%	37%
Egypt	10%	10%
Saudi Arabia	10%	10%
El Salvador	10%	10%
Côte d'Ivoire	41%	21%
Laos	95%	48%
Botswana	74%	37%
Trinidad and Tobago	12%	10%
Morocco	10%	10%

The Tit-for-Tat Tariffs Between the U.S. and China

President Trump raised tariffs on Chinese goods multiple times this year before lowering the rates temporarily while the two sides negotiate.



China retaliated against the tariffs with equivalent levies but has also agreed to a pause during ongoing talks.





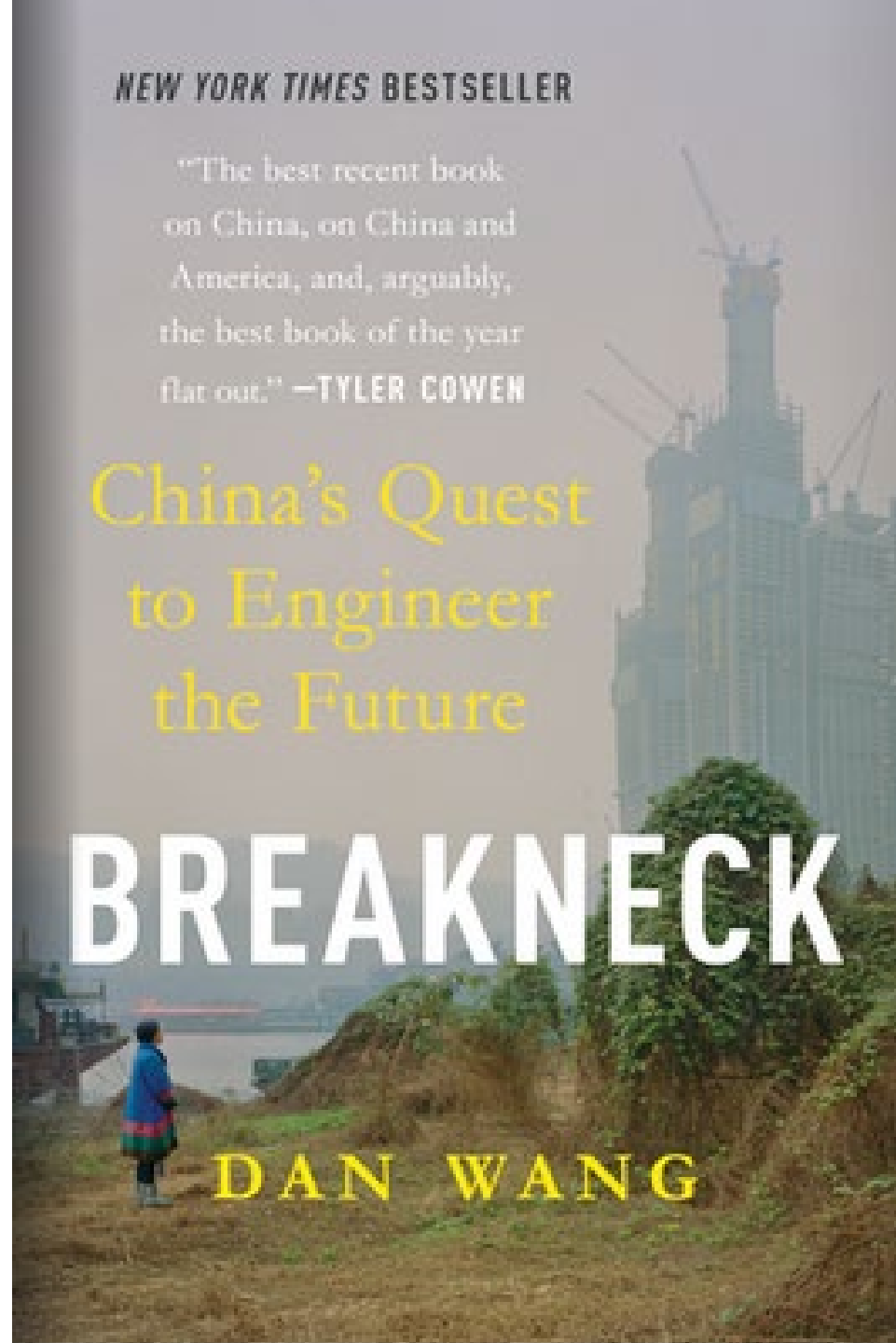
NEW YORK TIMES BESTSELLER

"The best recent book on China, on China and America, and, arguably, the best book of the year flat out." —TYLER COWEN

China's Quest
to Engineer
the Future

BREAKNECK

DAN WANG



Legal means of imposing tariffs

- International Emergency Economic Powers Act of 1977 (IEEPA)
 - Maximum presidential discretion, minimal oversight

February 2026



Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

Syllabus

LEARNING RESOURCES, INC., ET AL. *v.* TRUMP,
PRESIDENT OF THE UNITED STATES, ET AL.

CERTIORARI BEFORE JUDGMENT TO THE UNITED STATES
COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

No. 24–1287. Argued November 5, 2025—Decided February 20, 2026*

The question presented is whether the International Emergency Economic Powers Act (IEEPA) authorizes the President to impose tariffs. See 91 Stat. 1626. Shortly after taking office, President Trump sought to address two foreign threats: the influx of illegal drugs from Canada, Mexico, and China, Presidential Proclamation No. 10886, 90 Fed. Reg. 8327; Exec. Order No. 14193, 90 Fed. Reg. 9113; Exec. Order No. 14194, 90 Fed. Reg. 9117; Exec. Order No. 14195, 90 Fed. Reg. 9121, and “large and persistent” trade deficits, Exec. Order No. 14257, 90 Fed. Reg. 15041. The President determined that the drug influx had “created a public health crisis,” 90 Fed. Reg. 9113, and that the trade deficits had “led to the hollowing out” of the American manufacturing base and “undermined critical supply chains,” *id.*, at 15041. The President declared a national emergency as to both threats, deeming them “unusual and extraordinary,” and invoked his authority under IEEPA to respond.

He imposed tariffs to deal with each threat. As to the drug trafficking tariffs, the President imposed a 25% duty on most Canadian and Mexican imports and a 10% duty on most Chinese imports. *Id.*, at 9114, 9118, 9122–9123. As to the trade deficit (“reciprocal”) tariffs, the President imposed a duty “on all imports from all trading partners” of

*Together with No. 25–250, *Trump, President of the United States, et al. v. V.O.S. Selections, Inc., et al.*, on certiorari to the United States Court of Appeals for the Federal Circuit.

Neal Katyal '91 & Dartmouth SCOTUS team



Legal means of imposing tariffs

- ~~International Emergency Economic Powers Act of 1977 (IEEPA)~~
- Section 221 of the Trade Act of 1974
 - 15% tariffs for up to 150 days for balance of payments problems

CHAPTER 2—OTHER AUTHORITY

SEC. 121. STEPS TO BE TAKEN TOWARD GATT REVISION; AUTHORIZATION OF APPROPRIATIONS FOR GATT.

There are authorized to be appropriated annually such sums as may be necessary for the payment by the United States of its share of the expenses of the Contracting Parties to the General Agreement on Tariffs and Trade. This authorization does not imply approval or disapproval by the Congress of all articles of the General Agreement on Tariffs and Trade.

[19 U.S.C. 2151]

SEC. 122. BALANCE-OF-PAYMENTS AUTHORITY.

(a) Whenever fundamental international payments problems require special import measures to restrict imports—

(1) to deal with large and serious United States balance-of-payments deficits,

(2) to prevent an imminent and significant depreciation of the dollar in foreign exchange markets, or

(3) to cooperate with other countries in correcting an international balance of payments disequilibrium,

the President shall proclaim, for a period not exceeding 150 days (unless such period is extended by Act of Congress)—

(A) a temporary import surcharge, not to exceed 15 percent ad valorem, in the form of duties (in addition to those already imposed, if any) on articles imported into the United States;





UNITED STATES Court of International Trade

Hon. Mark A. Barnett • Chief Judge | Mario Toscano • Clerk of the Court



Search

[About the Court](#)

[CM/ECF](#)

[Rules and Forms](#)

[Judges](#)

[Opinions & Orders](#)

[Attorney Info](#)

[Trade Adjustment Assistance](#)

[Human Resources](#)

[Case Locator \(PACER\) »](#)

[E-Filing \(CM/ECF\) »](#)

[Audio Recordings of Select
Public Court Proceedings »](#)

The United States Court of International Trade, established under Article III of the Constitution, has nationwide jurisdiction over civil actions arising out of the customs and international trade laws of the United States.

[Court Hours and Holidays »](#)



UNITED STATES COURT OF INTERNATIONAL TRADE

THE STATE OF OREGON, ET AL.,

Plaintiffs,

v.

UNITED STATES, ET AL.,

Defendants.

Before: Mark A. Barnett, Claire R. Kelly,
and Timothy C. Stanceu, Judges

Court No. 26-01472-3JP

BURLAP AND BARREL, INC., ET AL.,

Plaintiffs,

v.

UNITED STATES, ET AL.,

Defendants.

Before: Mark A. Barnett, Claire R. Kelly,
and Timothy C. Stanceu, Judges

Court No. 26-01606-3JP

OPINION AND ORDER

[Granting Plaintiffs' motions for summary judgment and entering a permanent injunction for The State of Washington, Burlap and Barrel, Inc., and Basic Fun, Inc.; dismissing the claims of The State of Oregon, The State of Arizona, The State of California, The State of New York, The State of Colorado, The State of Connecticut, The State of Delaware, The State of Illinois, Office of the Governor ex rel. Andy Beshear, in his official capacity as Governor of the Commonwealth of Kentucky, The State of Maine, The State of Maryland, The Commonwealth of Massachusetts, The State of Michigan, The State of New Jersey, The State of Minnesota, The State of Nevada, The State of New Mexico, The State of North Carolina, Josh Shapiro, in his official capacity as Governor of the Commonwealth of Pennsylvania, The State of Rhode Island, The State of Vermont, The Commonwealth of Virginia, and The State of Wisconsin, for lack of standing; denying as moot Plaintiffs' alternative motions for preliminary injunction.]

Dated: May 7, 2026

Brian S. Marshall, Senior Assistant Attorney General, Oregon Department of Justice, of Portland, Or., argued for Plaintiffs The State of Oregon, The State of Arizona, The State

Legal means of imposing tariffs

- ~~International Emergency Economic Powers Act of 1977 (IEEPA)~~
- ~~Section 221 of the Trade Act of 1974~~
- Section 301 of the Trade Act of 1974

(1) If the United States Trade Representative determines under section 304(a)(1) that—

(A) the rights of the United States under any trade agreement are being denied; or

(B) an act, policy, or practice of a foreign country—
(i) violates, or is inconsistent with, the provisions of, or otherwise denies benefits to the United States under, any trade agreement, or
(ii) is unjustifiable and burdens or restricts United States commerce:

the Trade Representative shall take action authorized in subsection (c), subject to the specific direction, if any, of the President regarding any such action, and shall take all other appropriate and feasible action within the power of the President that the President may direct the Trade Representative to take under this subsection, to enforce such rights or to obtain the elimination of such act, policy, or practice.

Actions may be taken that are within the power of the President with respect to trade in any goods or services, or with respect to any other area of pertinent relations with the foreign country.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE



Certificate of Appreciation
to

Douglas Irwin

*for your substantial contribution to the effective administration of the Section 301 program,
particularly during the past year of unprecedented activity and increasingly difficult issues.*

December 16, 1986

Clayton Yeutter
Clayton Yeutter
U.S. Trade Representative

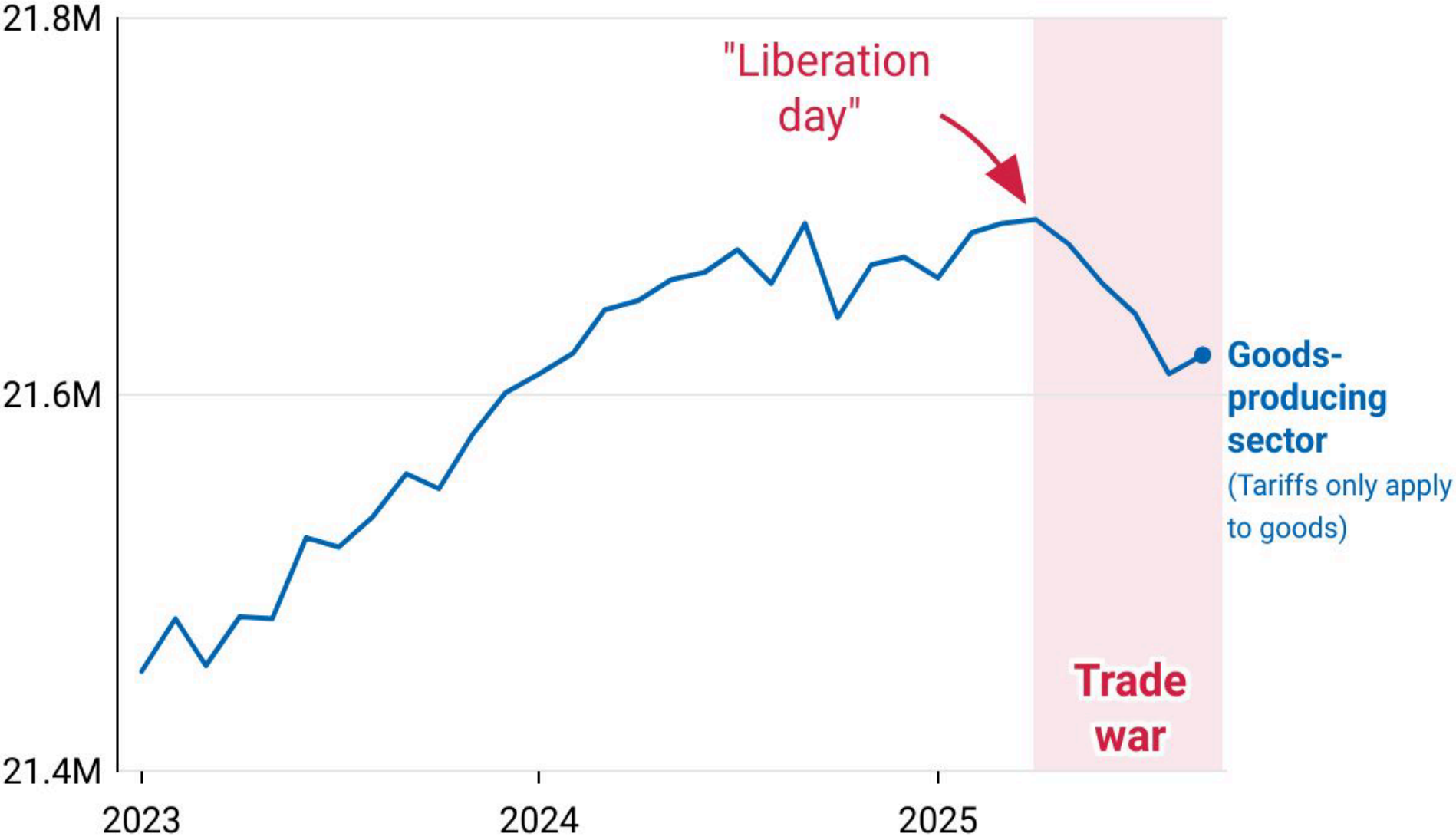
Coming Section 301 cases . . .

- Structural excess capacity
 - 16 countries: China, the European Union, Singapore, Switzerland, Norway, Indonesia, Malaysia, Cambodia, Thailand, Korea, Vietnam, Taiwan, Bangladesh, Mexico, Japan, and India.
- Failure to ban imported goods produced with forced labor
 - 60 countries
- Goal: replicate liberation day tariffs

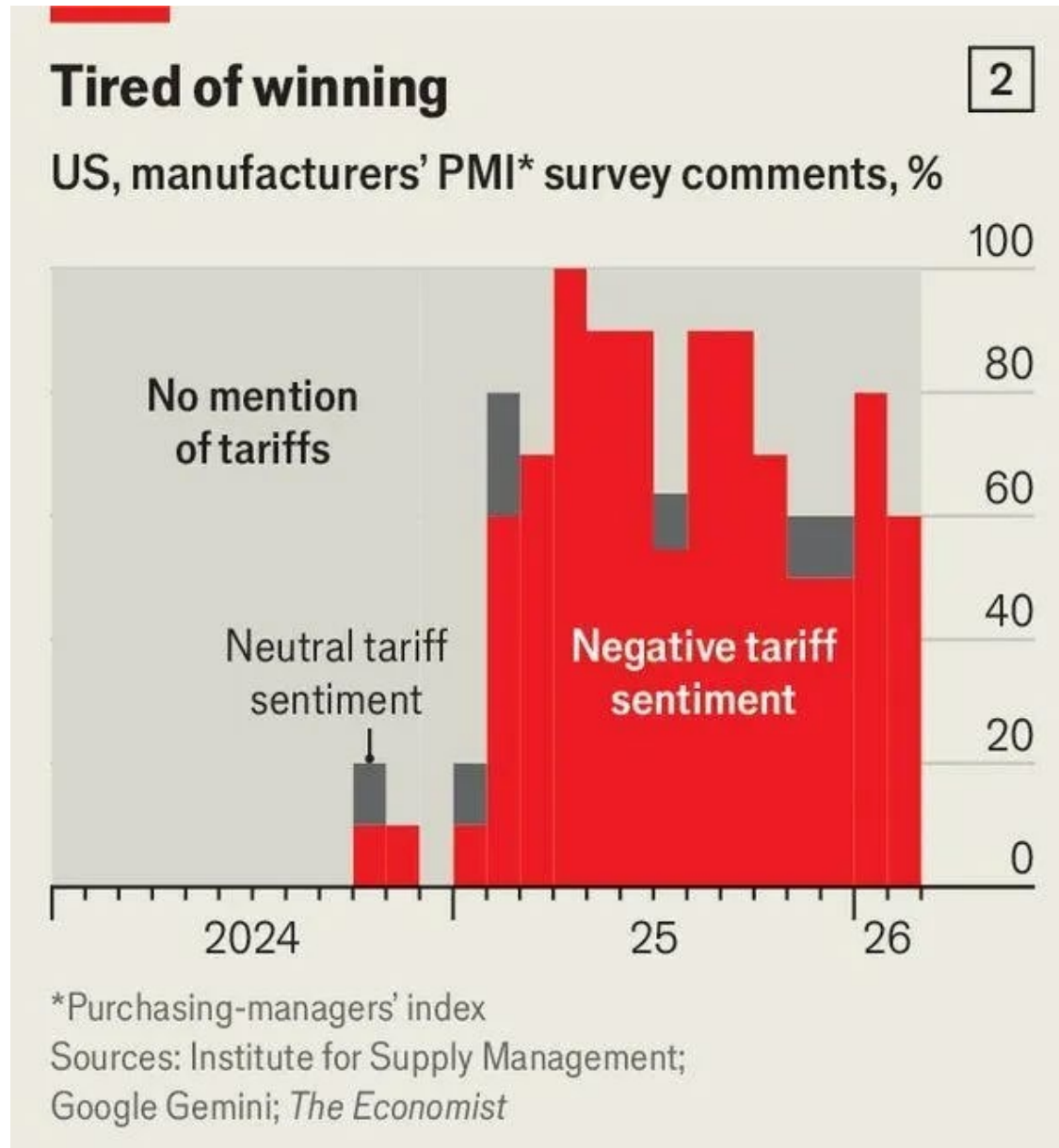
The Economic Consequences of Mr. Trump

1. Cost to the U.S economy
2. Politically unpopular – higher prices
3. Foreign policy & reputational damage

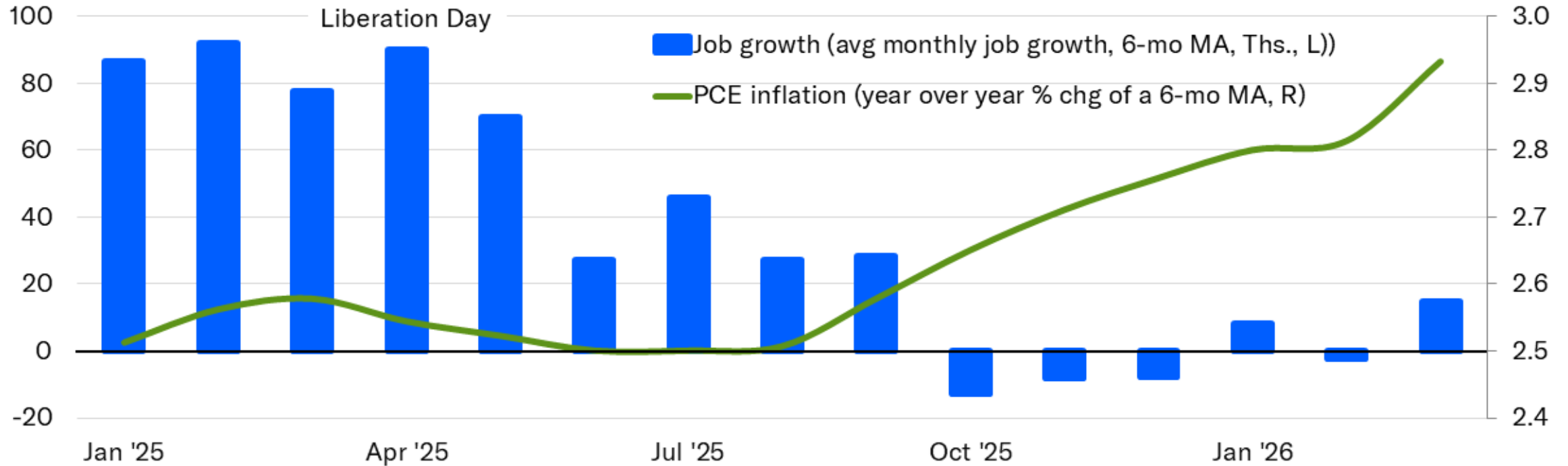
Employment in goods-producing industries has been falling over recent months



Helping manufacturing?



Job Growth Stalls, Inflation Accelerates Since Liberation Day



Sources: BLS, BEA, Moody's Analytic

The Washington Post

DO YOU APPROVE OF TRUMP'S TARIFFS?

34%

APPROVE

64%

DISAPPROVE

FOX
BUSINESS

▶ 7:20A MT

VARNEY & CO.

FEBRUARY 12-17
2,589 ADULTS
M.O.E. +/- 2% PTS.

▶ **DOW FUTURES**

49,494.00

▼ 180.00

-0.36%

DOW FUT 49,495.00 ▼ 179.00 -0.36% | **S&P FUT** 6,902.50 ▼ 20.75 -0.30%

METALS ▶

GOLD (GC/1) 5,179.30 ▲ 9

US midterm elections 2026 [+ Add to myFT](#)

More than half of US voters disapprove of Trump's handling of economy – FT poll

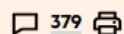
Iran war and inflation hit US president's approval ratings and weigh on Republican midterm prospects, survey shows



Nearly 58% of registered voters said they 'strongly' or 'somewhat' disapproved of the president's handling of inflation and the cost of living. © Jacquelyn Martin/AP

Lauren Fedor and Ian Hodgson in Washington

Published MAY 10 2026



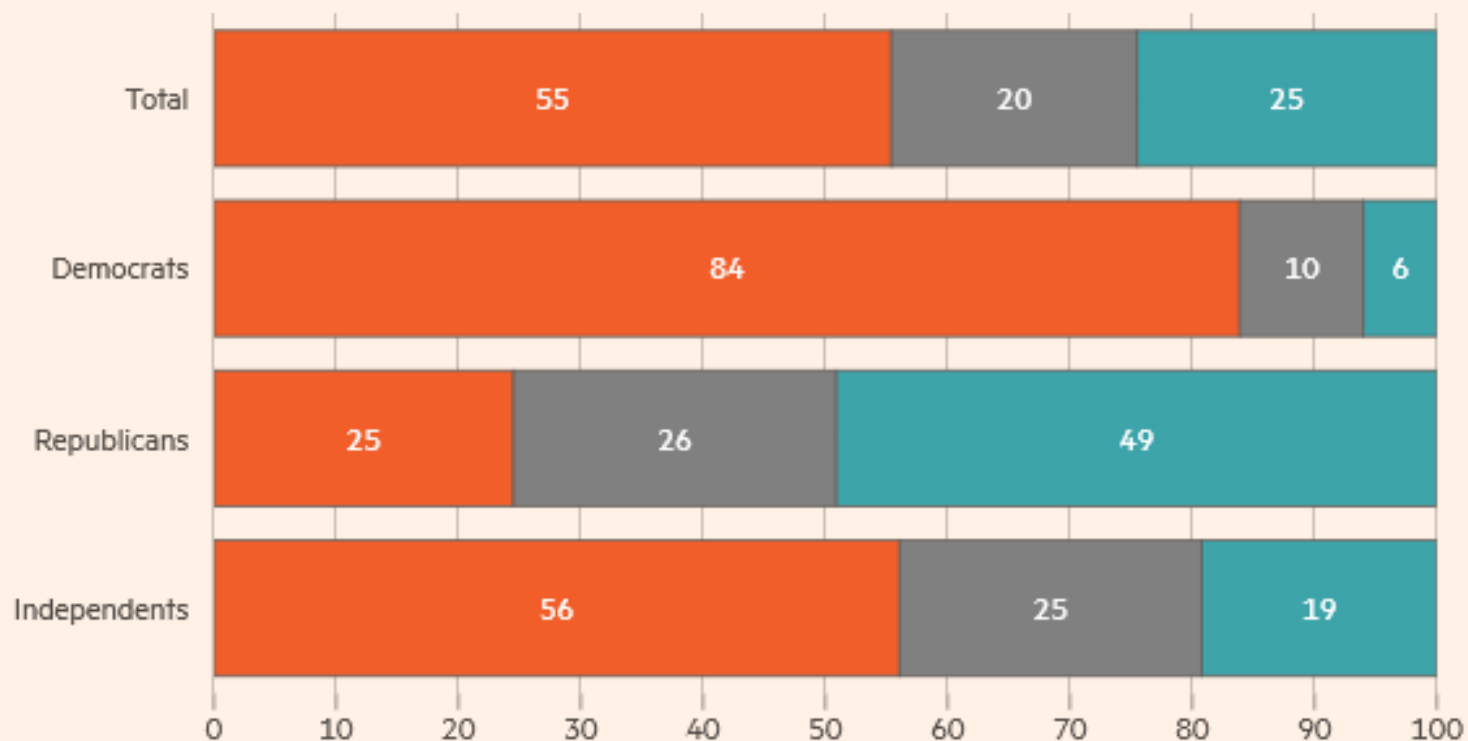
More than half of US voters disapprove of Donald Trump's handling of inflation and the economy, according to a new FT poll that shows the president's tariffs and the war in Iran are hurting his party's midterm prospects.

The nationwide poll, conducted last week by research company Focaldata, found inflation and the cost of living were the most pressing issues for voters ahead of November's [midterm elections](#), when control of both chambers of Congress will be up for grabs.

Most voters think Donald Trump's tariffs have hurt the US economy

Do you think Donald Trump's tariffs have helped the US economy or hurt the US economy? (%)

■ Hurt the economy ■ No difference / Don't know ■ Helped the economy



Source: FT/Focaldata • An FT/Focaldata poll of 3,167 registered voters was conducted May 1-5, 2026. Results are statistically significant within ± 2.1 percentage points.

FINANCIAL TIMES

Trump hits new approval low overall and on prices

Average job approval rating for Donald Trump overall and on issue-specific poll questions. Issue averages are a mix of a 14-day moving average and modeled estimates.*



Averages computed by G. Elliott Morris. Issue approval data from FiftyPlusOne.news.

*Modeled estimates are a blend of the implied issue-specific average given Trump's overall rating on each day, and a polynomial trend line estimating opinion over time.

Source: gelliottmorris.com • [Embed](#) • Created with [Datawrapper](#)



Nikkei Asia 
@NikkeiAsia

Follow



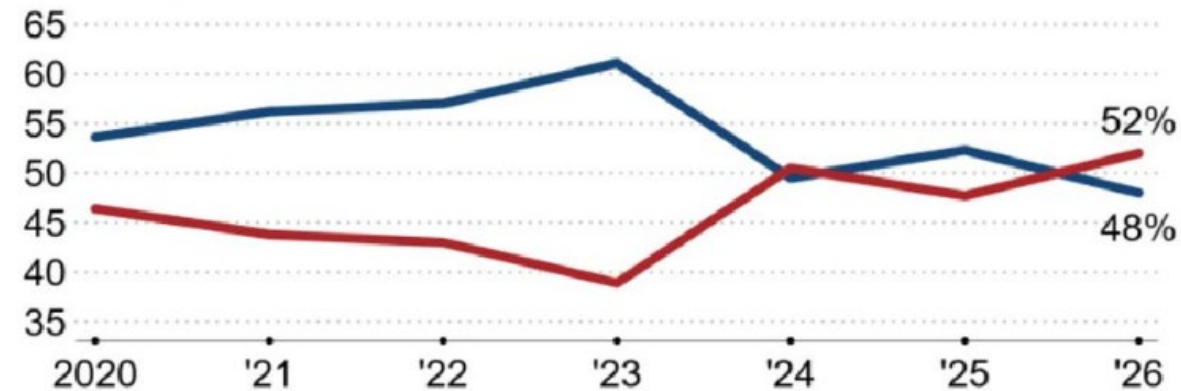
If ASEAN had to choose between the U.S. and China, who would it pick?

s.nikkei.com/4ctJy6z

ASEAN survey: Majority favors China over U.S.

(In percent)

■ U.S. ■ China



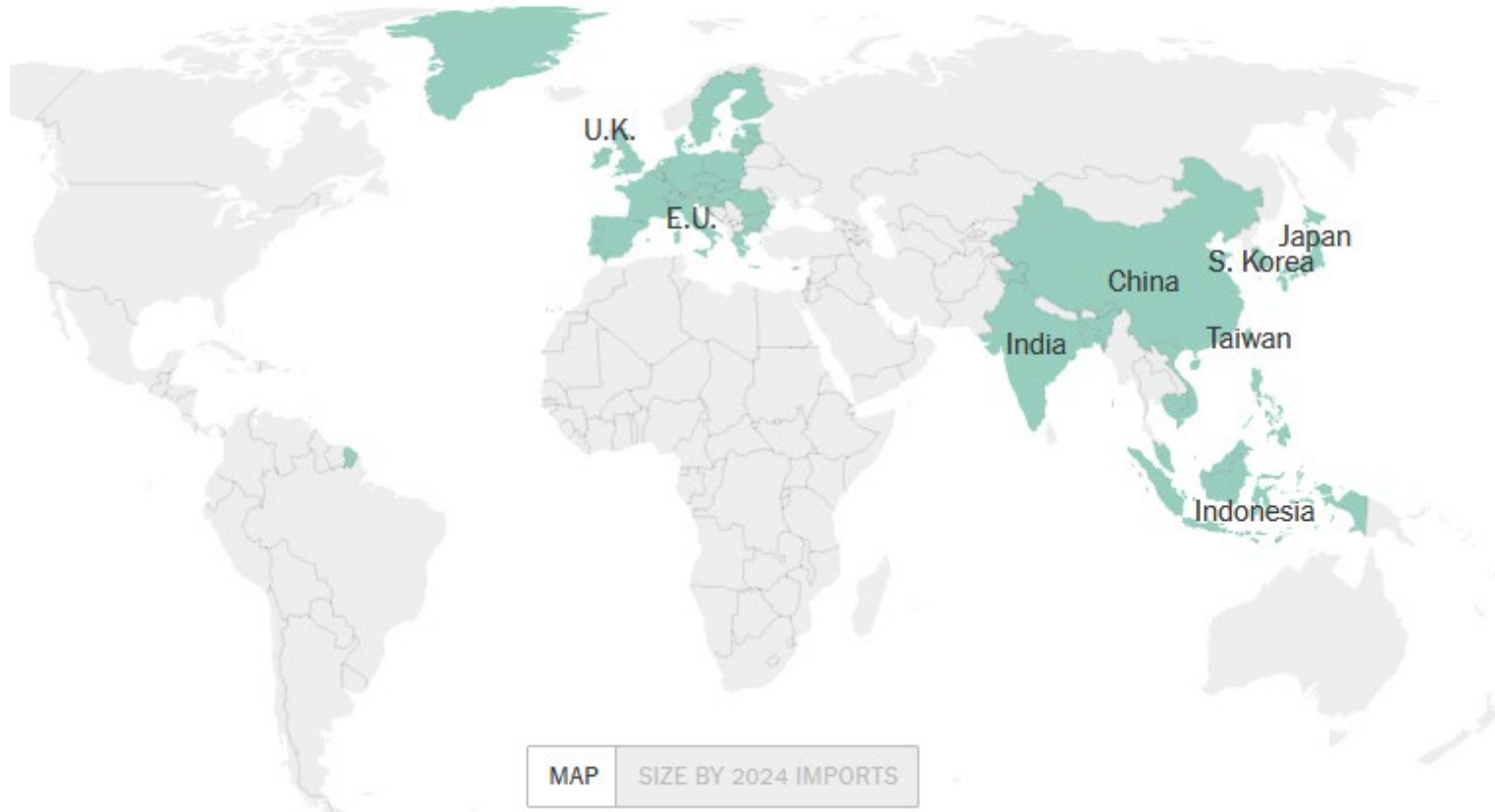
Answers to the question, "If ASEAN were forced to align itself with one of the strategic rivals, which should it choose?"

Source: ISEAS-Yusof Ishak Institute

3:33 AM · 11 Apr 26 · 16.2K Views

A set of deals

The White House has struck agreements with major trading partners, including the European Union, though the Supreme Court decision casts doubt on them now.



GENERAL TERMS FOR THE UNITED STATES OF AMERICA AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND ECONOMIC PROSPERITY DEAL

Context and Objectives

President Donald J. Trump and Prime Minister Sir Keir Starmer committed to deliver shared prosperity for American and British citizens alike. Our governments have a unique opportunity to enhance our economic partnership through the **U.S.-UK Economic Prosperity Deal (EPD)**.

A first of its kind, the United States and the United Kingdom expect the EPD to address three core objectives, based on fairness and reciprocity:

1. To grow the quality and volume of mutually beneficial trade between the United States and the United Kingdom, creating good, high-paying jobs and growth in both countries;
2. To remove barriers to make it easier for American and British businesses to operate, invest and trade in both countries; and
3. To ensure that the Special Relationship is rooted in an enduring economic partnership that is fair, reciprocal, future-facing, and built on a shared vision of the challenges that face our economies.

This document serves to define the general terms for the EPD that set forth the shared desires of the United States and the United Kingdom to make bilateral trade fairer, easier, and more substantial. Alongside this document covering our trading relationship, we are continuing discussions toward a transformative technology partnership between our countries.

The United States and United Kingdom are immediately beginning negotiations of the EPD to develop and formalize the proposals made in this document. Once the initial proposals have been formalized and implemented, the United States and United Kingdom understand that the EPD can further be expanded over time to cover additional areas. Each country intends to continue to improve market access under the EPD.

Both the United States and the United Kingdom recognize that this document does not constitute a legally binding agreement.

GENERAL TERMS FOR THE UNITED STATES OF AMERICA AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND ECONOMIC PROSPERITY DEAL

Context and Objectives

President Donald J. Trump and Prime Minister Sir Keir Starmer committed to deliver shared prosperity for American and British citizens alike. Our governments have a unique opportunity to enhance our economic partnership through the **U.S.-UK Economic Prosperity Deal (EPD)**.

A first of its kind, the United States and the United Kingdom expect the EPD to address three core objectives, based on fairness and reciprocity:

1. To grow the quality and volume of mutually beneficial trade between the United States and the United Kingdom, creating good, high-paying jobs and growth in both countries;
2. To remove barriers to make it easier for American and British businesses to operate, invest and trade in both countries; and
3. To ensure that the Special Relationship is rooted in an enduring economic partnership that is fair, reciprocal, future-facing, and built on a shared vision of the challenges that face our economies.

This document serves to define the general terms for the EPD that set forth the shared desires of the United States and the United Kingdom to make bilateral trade fairer, easier, and more substantial. Alongside this document covering our trading relationship, we are continuing discussions toward a transformative technology partnership between our countries.

The United States and United Kingdom are immediately beginning negotiations of the EPD to develop and formalize the proposals made in this document. Once the initial proposals have been formalized and implemented, the United States and United Kingdom understand that the EPD can further be expanded over time to cover additional areas. Each country intends to continue to improve market access under the EPD.

Both the United States and the United Kingdom recognize that this document does not constitute a legally binding agreement.

▶ Notes on the Week Ahead

The Trouble with Tariffs



David Kelly
Chief Global Strategist

Published: 1 day ago

The trouble with tariffs, to be succinct, is that they raise prices, slow economic growth, cut profits, increase unemployment, worsen inequality, diminish productivity and increase global tensions. Other than that, they're fine.

OPINION

PAUL KRUGMAN

How Trump's Radical Tariff Plan Could Wreck Our Economy

Oct. 17, 2024

So, what's the bottom line on the pros and cons of Trump's tariff proposals?

Cons: The tariffs would impose large burdens on middle- and lower-income families. They probably wouldn't significantly reduce the trade deficit and might actually hurt American manufacturing. And unilateral U.S. tariff action would wreak havoc by fracturing the world trading system.

OPINION

PAUL KRUGMAN

How Trump's Radical Tariff Plan Could Wreck Our Economy

Oct. 17, 2024

So, what's the bottom line on the pros and cons of Trump's tariff proposals?

Cons: The tariffs would impose large burdens on middle- and lower-income families. They probably wouldn't significantly reduce the trade deficit and might actually hurt American manufacturing. And unilateral U.S. tariff action would wreak havoc by fracturing the world trading system.

Pros: I can't think of any.



Chicago Booth Review >

Trump's Trade Policy Is an Exercise in Futility



Trump's Trade Policy Is an Exercise in Futility

The president is unlikely to achieve any of his objectives.

By [Douglas A. Irwin](#) August 07, 2018 [CBR - Public Policy](#)

Credit: G

President Donald J. Trump has long believed that other countries have been taking advantage of the United States, treating it unfairly in trade. The consequence, in his view, has been large trade deficits, massive job losses in manufacturing, and the destruction of the middle class. He sees pacts such as

ACT III

The future

- U.S. trade policy in next administration
- Future of U.S.-China relationship
- Future of trading system & WTO

Will the next administration reverse course?


- Remove excesses but residual will remain?
- Tariffs increase quickly but come down slowly
 - Business interests
 - Federal revenue
 - Political tool
- Bipartisan economic nationalism

Managed trade with China?

- Outcomes focused not rules based
- Commercial considerations give way to political/security concerns
- Didn't work in 1980s/1990s with Japan but might with China
- Third country effects

Future of the WTO



 Delegates are advised to log into the WTO website to see restricted information



WTO reform

The issue of WTO reform is a broad one, encompassing many facets of the WTO's work. The debate over WTO reform dates back many years but WTO members agreed for the first time at the 12th Ministerial Conference (MC12) in June 2022 to undertake a comprehensive review of the WTO's functions to ensure the organization is capable of responding more effectively to the challenges facing the multilateral trading system and to the opportunities it provides.

To launch the process, the then General Council Chair, H.E. Mr. Didier Chambovey (Switzerland), organized the first conversation focusing specifically on WTO reform in November 2022. This was followed by successive General Council chairs organizing other discussions focused on various specific topics. Since June 2025, these discussions have been led by the Facilitator on WTO Reform, Mr. Petter Ølberg (Norway), appointed by the General Council Chair, H.E. Saqer Abdullah Almoqbel.

 [General Council](#)

On this page

-  [Reports by the Facilitator](#)
-  [Submissions by members](#)

NEWS

[back to top](#) ▲



DG Okonjo-Iweala urges members to explore new ways to revitalize WTO at South-South event

6 MARCH 2026

Submissions by members

Members, both individually and in groups, have put forward many ideas on reform, including in the form of proposals and submissions. These ideas cover issues such as improving the deliberative function of the WTO: institutional matters; transparency; the working procedures of WTO councils and committees; development; and more general proposals on overall reform of the organization.

Some submissions have called for discussions on current issues confronting some members, such as the use of industrial subsidies, ensuring policy space to promote industrialisation in developing countries, and making trade more inclusive.

Search:

Co-Sponsors	Title	Document Symbols	Date
United States	Further perspectives on WTO reform	WT/GC/W/998	23.03.2026
Gambia	Communication from The Gambia on behalf of the LDC Group - Revision	WT/GC/W/991/Rev.1	18.03.2026
Australia : Brazil : Canada : Colombia : Iceland : Liechtenstein : New Zealand : Switzerland : Ukraine : and Uruguay	Draft ministerial decision for a dialogue on emerging agricultural trade issues	WT/MIN(26)/W/5/Rev.2	17.03.2026
United Kingdom	More relevant, more flexible, more accessible	WT/GC/W/993	06.03.2026
African Group	WTO reform : development-centred priorities for a balanced WTO	WT/GC/W/992	05.03.2026
Paraguay	WTO reform - Draft ministerial decision	RD/GC/49	03.03.2026
China	China's position paper on WTO reform under the current circumstances	WT/GC/W/989	18.02.2026
Paraguay	WTO reform considerations	WT/GC/W/987	03.02.2026
European Union	EU submission on WTO reform	WT/GC/W/986	21.01.2026
United States	On WTO reform	WT/GC/W/984	15.12.2025
LDC Group	LDC Group priorities at the World Trade Organization	WT/GC/W/979	04.12.2025
ACP Group	Fundamentals for WTO reform	WT/GC/W/975	28.11.2025
African Group (Angola: Benin: Botswana: Burkina Faso: Burundi: Cabo Verde: Cameroon: Central African Republic: Chad: Comoros: Congo: Côte d'Ivoire: Democratic Republic of Congo: Djibouti: Egypt: Eswatini: Gabon: The Gambia: Ghana: Guinea: Guinea Bissau: Kenya: Lesotho: Liberia: Madagascar: Malawi: Mali: Mauritania: Mauritius: Morocco: Mozambique: Namibia: Niger: Nigeria: Rwanda: Senegal: Seychelles: Sierra Leone: South Africa: Tanzania: Togo: Tunisia: Uganda: Zambia and Zimbabwe)	WTO Reform	WT/GC/W/971	30.10.2025
United States	Further Structural Reforms of the WTO TBT Committee: Thematic Sessions and Transparency	G/TBT/W/790	16.02.2024
China	Options to Acknowledge Progress and Provide Further Instructions for the "Reform by Doing" Work at MC13	JOB/GC/372	20.11.2023
Colombia: Paraguay: the United Kingdom and Uruguay	Functioning of the CTG: Enhancing Clarity and Accessibility of Information	JOB/CTG/43 and Rev.1	16.11.2023 for the first communication

Good news?

- Limited fragmentation
- Trade still valued



Contents lists available at [ScienceDirect](#)


Journal of International Economics

journal homepage: www.elsevier.com/locate/jie



Full length articles

Changing global linkages: A new Cold War? ☆

Gita Gopinath ^a, Pierre-Olivier Gourinchas ^{a,b}, Andrea F. Presbitero ^{a,b} *,
Petia Topalova ^{a,b}

^a International Monetary Fund, United States of America

^b CEPR, United Kingdom



ARTICLE INFO

Dataset link: [Data for "Changing Global Linkages: A New Cold War?" \(Original data\)](#)

JEL classification:

F14

F60

I18

Keywords:

Trade

Foreign direct investment

Geoeconomics

Fragmentation

ABSTRACT

Global linkages are changing amidst elevated geopolitical tensions and a surge in policies directed at increasing supply chain resilience and national security. Using granular bilateral data, we provide new evidence of trade and investment fragmentation along geopolitical lines and compare it to the early years of the Cold War. Gravity model estimates point to significant declines in trade, FDI, and portfolio flows between countries in geopolitically distant blocs since the onset of the war in Ukraine, relative to flows between countries in the same bloc. While the extent of fragmentation is still relatively small, the decoupling between the rival geopolitical blocs during the Cold War suggests it could worsen considerably should geopolitical tensions persist and trade restrictive policies intensify. Different from the early years of the Cold War, a set of nonaligned 'connector' countries are rapidly gaining importance and serving as a bridge between blocs.

1. Introduction

Over the past decade, the future of global economic integration has been increasingly challenged. Disillusionment with the uneven benefits of trade, fragility of highly specialized global supply chains exposed by the COVID-19 pandemic, and geopolitical frictions heightened by the war in Ukraine are all contributing to rethinking commitments to free trade. New technologies have also triggered a global race to dominate emerging strategic sectors, like artificial intelligence (AI), renewable energy, and biotech. In 2015, the Chinese government announced the 'Made in China 2025' initiative, with the goal of upgrading its manufacturing industry, reducing its reliance on foreign technology, and raising the domestic content of core components and materials. In 2018, the U.S. raised tariffs on a wide range of imports from China. Worldwide, policy measures, which directly or indirectly restrict trade flows, have surged.¹ Yet, despite these changes in the policy environment and public sentiment, there are no significant changes

ECONOMY • TRADE

EU Agrees to Double Steel Tariffs

The new regulation could apply as soon as July 1

By **Edith Hancock** [Follow](#)

April 14, 2026 7:40 am ET



Aa



Gift unlocked article



Listen (2 min) ⋮



The European Union's plan aims to shield the bloc's struggling sector from a glut of foreign imports.

INA FASSBENDER/AGENCE FRANCE-PRESSE/GETTY IMAGES

The European Union approved a plan to double tariffs on steel imports above a certain quota in a bid to shield the bloc's struggling sector from a glut of foreign imports.

THANK YOU!

Tariffs for what?

1. Raise revenue and cut other taxes
2. Reduce the trade deficit
3. Reshore manufacturing production & create jobs
4. Reciprocity & fair trade – get better deals