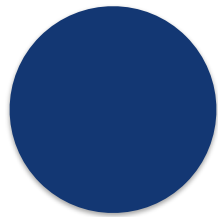


Política Internacional e Geopolítica a era da imprevisibilidade

**INSTITUTO CULTURAL
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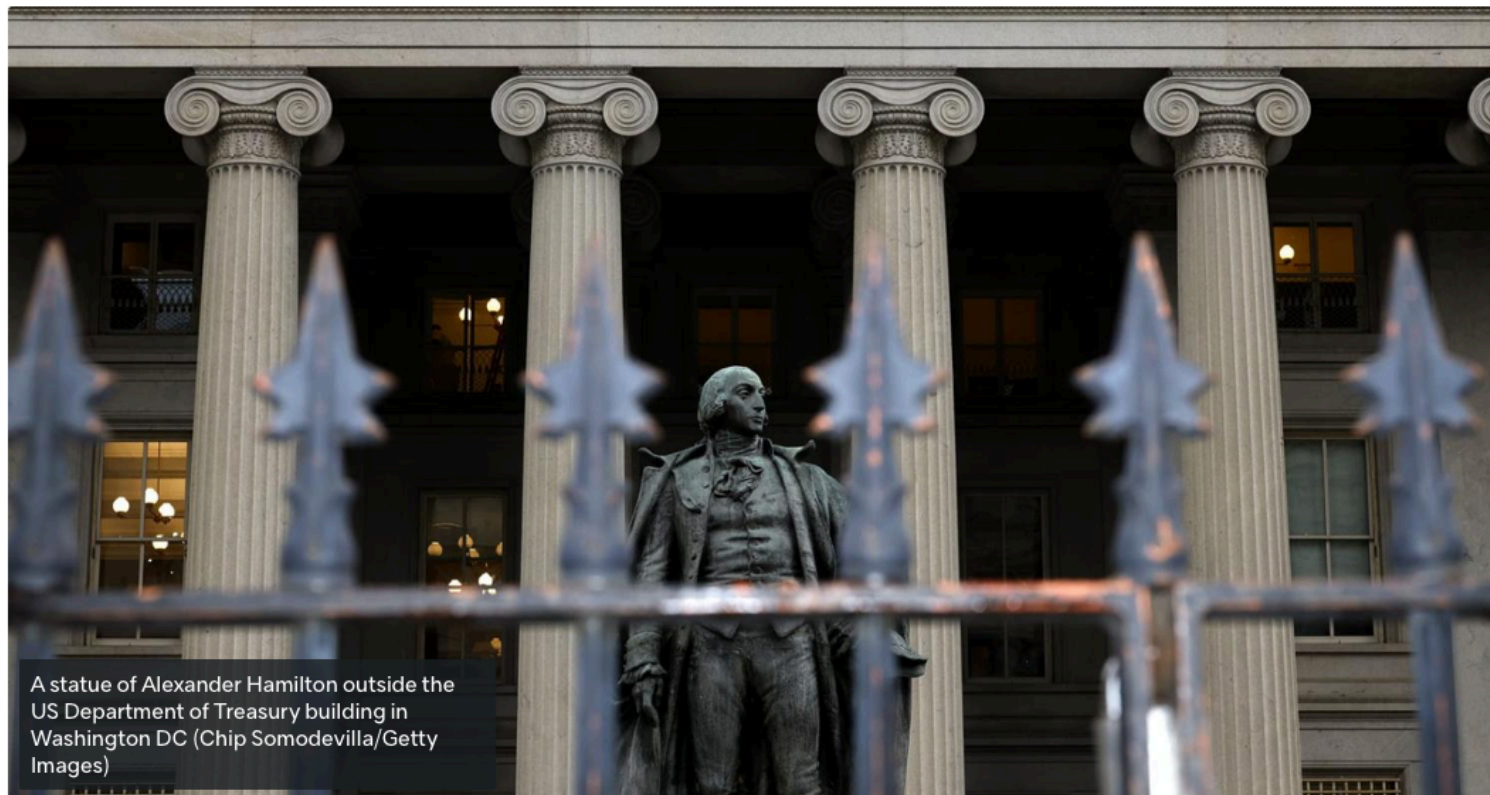
PARTE I – TEMA PRINCIPAL

O impulso mercantilista / unilateralista nos EUA (1) [FONTE: Ved Shinde / Lowy Institute - The Interpreter, 10/01/2025]

The riotous return of the mercantilists

VED SHINDE

Trump's tariffs mantra has changed the zeitgeist – but to a habit nations have long held.



A statue of Alexander Hamilton outside the US Department of Treasury building in Washington DC (Chip Somodevilla/Getty Images)

O impulso mercantilista / unilateralista nos EUA (2) [FONTE: Ved Shinde / Lowy Institute - The Interpreter, 10/01/2025]

The undercurrent of Donald Trump's worldview has deep historical roots. It plays like a retro film on a loop.

Consider Alexander Hamilton. As America's first Treasury secretary, Hamilton was a self-educated thinker influenced by two figures across the Atlantic – Jean-Baptiste Colbert, a 17th century French finance minister, and Robert Walpole, Britain's Prime Minister in the early 18th century. Now what do all these gentlemen have in common? An unapologetic weak spot for tariffs on foreign goods, enthusiasm for providing subsidies to domestic industries and a manufacturing mania. Back then, mercantilism was a seductive word. Soaked in the sweet syrup of commerce.

In Hamilton's bygone days, poems like "Rule Britannia!" captured the then-geopolitical zeitgeist. The British navy ruled the seas and its merchants thirsted for markets to penetrate and fowl to hunt. Nabobs of the British East India Company were racing to Asia in search of riches. As Horace Walpole put it in 1783, "No man ever went to the East Indies with good intentions." Hamilton could not stand the pre-eminence of British industries. He imagined the United States not as a servile resource-exporting colony of Britain but as an industrial rival. He did not want the US to become another India or Ireland for London. In this pursuit, Hamilton advocated protection for American infant industries and import substitution.

O impulso mercantilista / unilateralista nos EUA (3) [FONTE: Ved Shinde / Lowy Institute - The Interpreter, 10/01/2025]

One of the major causes of the American Civil War also lay in the debate between Hamiltonians in the industrial northeast and Jeffersonians of the southern plantations. Factory owners in Pennsylvania sought economic independence from the British Empire by building their own industries. Planters in the south vehemently opposed this. Their interests lay in supplying cheap cotton to British mills in return for being a market for factory-made goods from Manchester and Lancashire. As a contemporary economist Henry C. Carey wrote in 1867, “Slavery did not make the rebellion. British free trade gave us sectionalism, and promoted the growth of slavery, and thus led to rebellion.”

The flag of Hamiltonian tariff protection was carried forward by Abraham Lincoln, who began the process of making the United States the most protected home market in the world. The American “Tariff Raj” continued onward till the early 20th century. Even the Wharton Business School of Pennsylvania, the reigning business school in the United States, was founded in 1881 to promote wanton protectionism. It was roughly from the mid-19th century to the end of the World Wars that the US became an industrial superpower.

O impulso mercantilista / unilateralista nos EUA (4) [FONTE: Ved Shinde / Lowy Institute - The Interpreter, 10/01/2025]

With Trump's re-entry on the grand stage, he has pushed American mercantilism into a higher sphere. Scholars have argued that Trump's worldview was shaped in the 1980s. He resented the moving out of American manufacturing to German and Japanese industries. The idea that Washington should accommodate Berlin and Tokyo – after the Second World War – by allowing them to prosper behind an American security order was repulsive to Trump. No wonder the disruption he now threatens. Back in the day, Trump complained that Japan had “systematically sucked the blood out of America”.

Coming to the present, Elon Musk's bonhomie as Trump's “First Friend” symbolises the synergy between the political and business classes in the United States. In Hamilton's time, steam engines and weaving looms were prized possessions. Now it is AI, electric vehicles, space, semiconductors, quantum, and other emerging technologies. Faces change, the landscape remains the same.

O impulso mercantilista / unilateralista nos EUA (5) [FONTE: US Senate]

The Senate Passes the Smoot-Hawley Tariff

June 13, 1930

A memorable scene from the movie *Ferris Bueller's Day Off* has a high school teacher vainly struggling to get some response from his dazed students. He says: "In 1930, the Republican-controlled House of Representatives, in an effort to alleviate the effects of the... Anyone? Anyone?... the Great Depression, passed the... Anyone? Anyone? The tariff bill? The Hawley-Smoot Tariff Act. Which, anyone? Raised or lowered?... raised tariffs, in an effort to collect more revenue for the federal government. Did it work? Anyone?... Anyone know the effects? It did not work, and the United States sank deeper into the Great Depression." This amusing scene managed to omit the U.S. Senate, but it was on June 13, 1930, that the Senate passed the Smoot-Hawley Tariff, among the most catastrophic acts in congressional history.



How did this happen? After Herbert Hoover became president in 1929, he called Congress into special session to deal with a troubled farm economy that had fallen into depression during the otherwise prosperous 1920s. President Hoover proposed a "limited revision" of the tariff on agricultural imports to raise rates and boost sagging farm prices. He then made the tactical error of trying to distance himself from the tariff debates. Republican protectionists, who controlled the House Ways and Means Committee chaired by Representative Willis Hawley, put the farm issue aside and took the opportunity to raise industrial tariffs to new highs. Hoover's failure to object encouraged other economic interests to lobby the Senate Finance Committee, chaired by Utah senator Reed Smoot, for further tariff hikes. In protest, low-tariff Democrats and progressive Republicans slowed the tariff debate over a tedious 15-month process of congressional bargaining.

O impulso mercantilista / unilateralista nos EUA (6) [FONTE: US Senate]

A thousand economists signed a petition, drafted by a Chicago economist, and future U.S. senator, Paul Douglas, that implored the president to veto the tariff. “Poor Hoover wanted to take our advice,” Paul Douglas mused, but he could not bring himself to break with his own party’s congressional leadership. Ignoring the experts, Hoover signed the tariff on June 17, 1930.

As the economists predicted, the high tariff proved to be a disaster. Even before its enactment, U.S. trading partners began retaliating by raising their tariff rates, which froze international trade. The tariff fight solidified Hoover’s ties with Republican regulars, but it shredded his standing among his party’s progressives. Most of the progressive Republican senators who had campaigned for Hoover in 1928 wound up endorsing Franklin D. Roosevelt for president in the next election. Nor did the tariff sit well with the voters. In 1932 they turned the majority in both houses over to the Democrats, by large margins. The voters also made clear their disdain for the Smoot-Hawley tariff by booting both Reed Smoot and Willis Hawley out of office that year.

O impulso mercantilista / unilateralista nos EUA (7)

[FONTE: Thomas Schwartz / US National Archives, 22/03/2023]

Lessons of History? The Use and Misuse of Smoot-Hawley Tariff



Rep. W.C. Hawley and Sen. Reed Smoot, April 11, 1929.

Library of Congress, National Photo Company Collection, <http://hdl.loc.gov/loc.pnp/npcc.17371>.

A popular understanding of studying history is reflected in an attribution to the philosopher George Santayana: "Those who do not remember the past are condemned to repeat it." The notion that history contains lessons that if only studied and remembered can prevent further reprises in the future is conventional wisdom. Yet many historians have warned that perhaps the opposite is also true: that applying "lessons" from the past to present problems may be using the wrong analogy to a present problem.

O impulso mercantilista / unilateralista nos EUA (8) [FONTE: Thomas Schwartz / US National Archives, 22/03/2023]

History is a complicated business. We often know a collection of historical actors and a sequence of events and outcomes but not necessarily motivation, what knowledge was available at the time, what political/cultural/social baggage influenced outcome and numerous other variables. Typically, the study of past events allows one to have access to much greater information than actual participants and more importantly, the leisure element of time to thoughtfully examine and evaluate the information. Unlike the actual participants in the historical event dealing with issues in real time, a historian's deadline is less demanding unless constrained by a book contract.

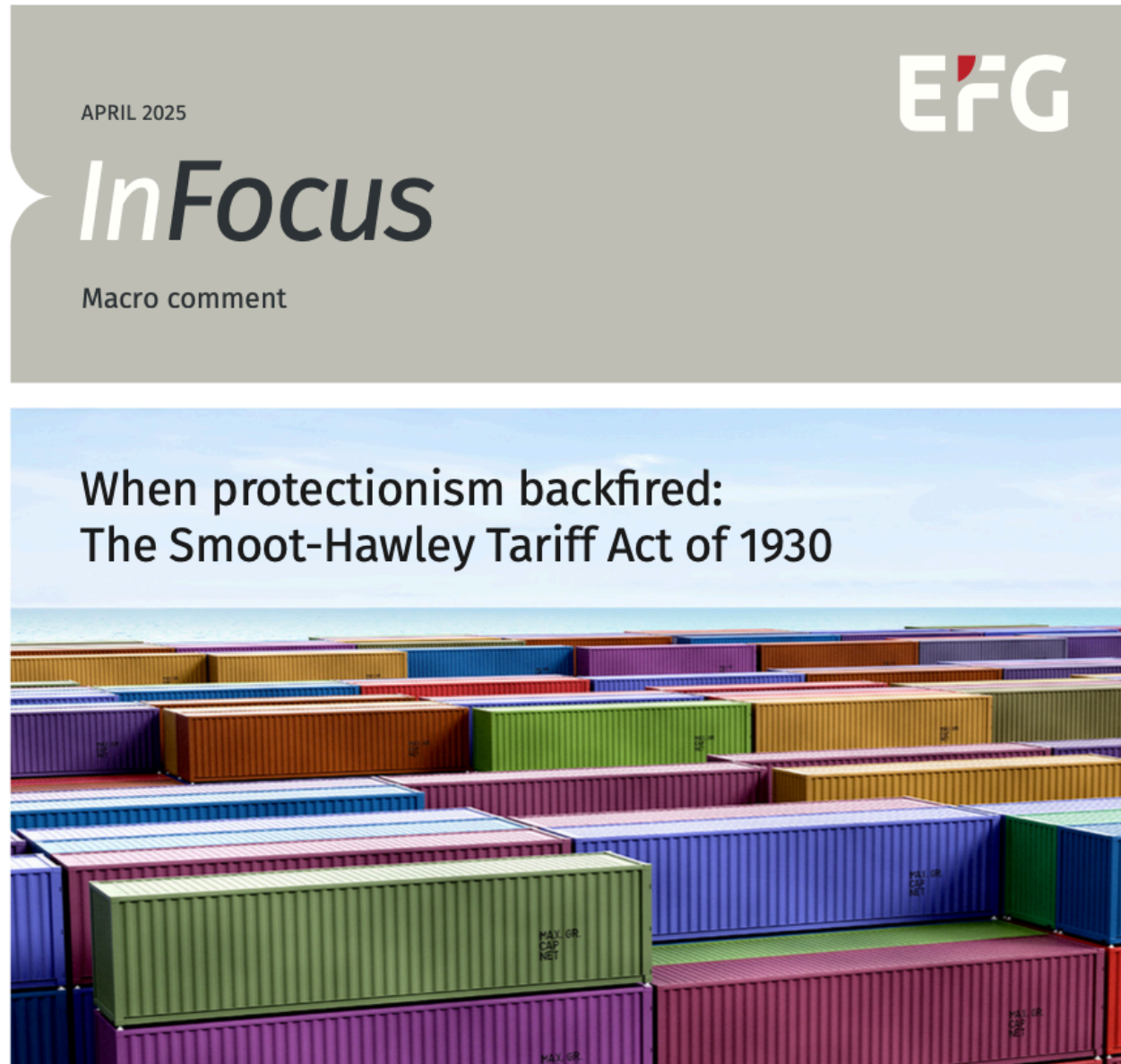
Most Americans have forgotten or never knew that the two largest sources of income running the federal government in the Nineteenth Century was the sale of federal lands and protective tariffs. That tariff policy could be cause for significant national debate seems almost antiquarian to modern sensibilities. Laura Ingalls Wilder in *Farmer Boy* recounts a debate at an annual July 4 celebration witnessed by her husband Almanzo as a boy: "Then the two men made long political speeches. One believed in high tariffs, and one believed in free trade.

O impulso mercantilista / unilateralista nos EUA (9) [FONTE: Thomas Schwartz / US National Archives, 22/03/2023]

A national income tax passed in the early Twentieth Century, quickly replaced the diminishing income stream from tariffs. Few recall the average level of duties of the McKinley Tariff (1890) 49 percent; Wilson-Gorman Tariff (1894) 41 percent; Dingley Tariff (1897) 46 percent; Payne-Aldrich Tariff (1909) 40.7 percent; and the Fordney-McCumber Tariff (1922) 38.5 percent. But there is an obsession with the Smoot-Hawley Tariff (1930) that raised the average to 45.4 percent. Smoot-Hawley was neither the largest increase but what makes it notable is that was the last before a long era of trade agreements led by the President, not Congress, became the norm.

The Hawley-Smoot Tariff did not cause the Great Depression. Economists then and now argue that while unwise and counterproductive, its economic impact on the lasting duration of the Depression was slight. It continues, however, to remain in the popular imagination one of the leading factors in a discussion of the causes of the Great Depression as illustrated by the actor Ben Stein's portrayal of a high school history teacher in the movie, "Ferris Buller's Day Off."

O impulso mercantilista / unilateralista nos EUA (10) [FONTE: EFG Bang AG / In Focus, Abril 2025]



O impulso mercantilista / unilateralista nos EUA (11) [FONTE: EFG Bang AG / In Focus, Abril 2025]

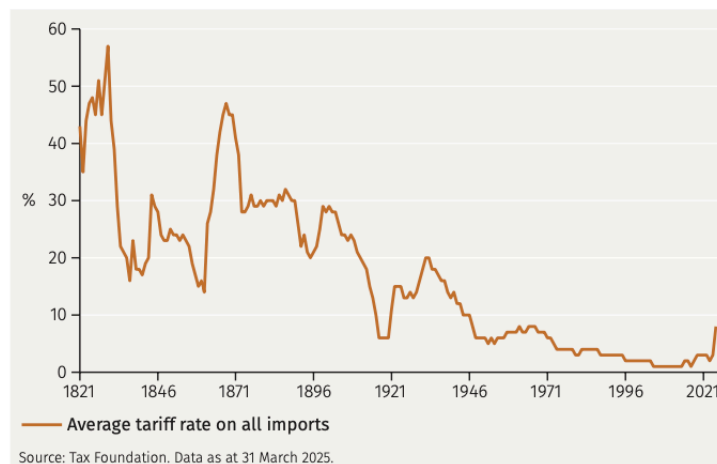
WHEN PROTECTIONISM BACKFIRED: THE SMOOT-HAWLEY TARIFF ACT OF 1930

With the Trump administration implementing wide ranging tariffs on US trading partners, it is useful to revisit the Smoot-Hawley Tariff Act, which was passed in 1930 and which was followed by a collapse in US trade and economic activity. In this issue of *InFocus*, EFG Chief Economist Stefan Gerlach reviews the background of the Act and its consequences.

The Trump administration's trade policies have revived interest in the Smoot-Hawley Tariff Act—arguably the most prominent example of protectionism in US history. Passed in 1930 and named after Senator Reed Smoot, Republican of Utah, and Representative Willis Hawley, Republican of Oregon, the law is widely remembered as a major policy error. It deepened the Great Depression both in the United States and abroad and impaired international trade relations for years to come.

As chairmen of the Senate Finance Committee and the House Ways and Means Committee, respectively, Smoot and Hawley lent their names to a Republican-sponsored tariff bill that raised import duties to historically high levels just as the US economy was collapsing. The bill was highly controversial: Democrats condemned it; economists petitioned Congress to reject it; and foreign governments lodged protests—all to no avail.

1. Average tariff rate on all imports (before 2 April 2025)



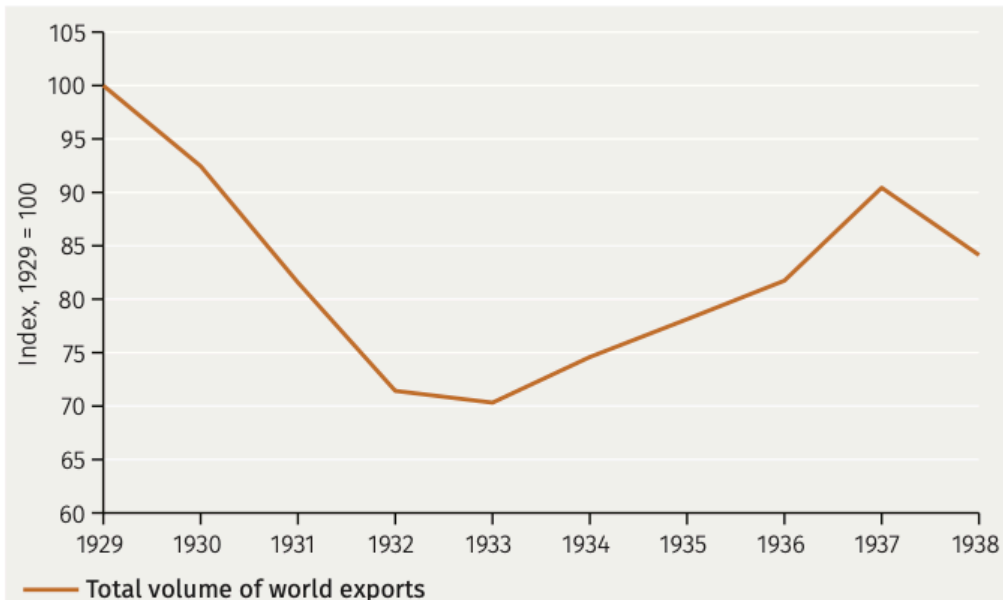
Hoover ran for president in 1928 as the Republican nominee, he pledged to raise tariffs on agricultural products.

O impulso mercantilista / unilateralista EUA

(12) [FONTE: EFG Bang AG / In Focus, Abril 2025]

Within two years, its damaging economic effects were undeniable. The spike in US tariffs prompted widespread retaliation from other countries. International cooperation collapsed just as the global economy was plunging and coordination was needed most. World trade volumes fell by nearly one-third (see Figure 2).

2. Total volume of world exports



Source: Our World in Data. Data as at 31 March 2025.

Today, the Smoot-Hawley Tariff Act is viewed as a cautionary tale about the perils of economic nationalism in a globally interconnected world. It marked a retreat into protectionism for the US and a breakdown of global economic diplomacy. For many, it stands as a textbook example of how efforts to shield domestic industries can backfire disastrously when applied without foresight.

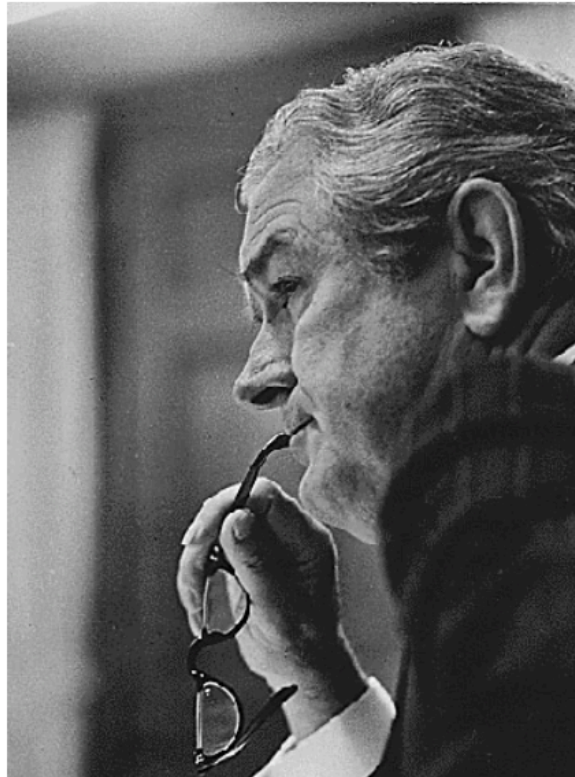
Smoot-Hawley was also the last time Congress set specific tariff rates directly. In the decades that followed, trade policy shifted toward executive-led negotiations and multilateral frameworks such as the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO). While the Act deepened the crisis of the 1930s, it also helped shape the post-WWII global economic order's firm rejection of protectionism.

But from today's perspective, the key question is how much macroeconomic damage the Smoot-Hawley Act caused. It increased tariffs at the start of a deep recession that was followed by the Great Depression. There is broad agreement among economic historians that the absence of effective fiscal and monetary policy responses, and not trade policy, was responsible for making the Great Depression truly great.

O impulso mercantilista / unilateralista nos EUA (13) [FONTE: Office of the Historian]

Nixon and the End of the Bretton Woods System, 1971–1973

On August 15, 1971, President Richard M. Nixon announced his New Economic Policy, a program “to create a new prosperity without war.” Known colloquially as the “Nixon shock,” the initiative marked the beginning of the end for the Bretton Woods system of fixed exchange rates established at the end of World War II.



O impulso mercantilista / unilateralista nos EUA (14) [FONTE: Office of the Historian]

Nixon convened a meeting of his top economic advisers, including Secretary of the Treasury John Connally and Office of Management and Budget Director George Shultz, at the Camp David presidential retreat to consider a program of action. Notably absent from the meeting were Secretary of State William Rogers and President's Assistant for National Security Affairs Henry Kissinger. After two days of talks, on the evening of August 15, Nixon announced his New Economic Policy in an address to the nation on "The Challenge of Peace." Asserting that progress in bringing an end to U.S. involvement in the war in Vietnam meant that it was time for Americans to turn their minds to the challenges of a post-Vietnam world, Nixon identified a three-fold task: "We must create more and better jobs; we must stop the rise in the cost of living; we must protect the dollar from the attacks of international money speculators." To achieve the first two goals, he proposed tax cuts and a 90-day freeze on prices and wages; to achieve the third, Nixon directed the suspension of the dollar's convertibility into gold. He also ordered that an extra 10 percent tariff be levied on all dutiable imports; like the suspension of the dollar's gold convertibility, this measure was intended to induce the United States' major trading partners to adjust the value of their currencies upward and the level of their trade barriers downward so as to allow for more imports from the United States.

O impulso mercantilista / unilateralista nos EUA (15) [FONTE: Office of the Historian]

A success at home, Nixon's speech shocked many abroad, who saw it as an act of worrisome unilateralism; the assertive manner in which Connally conducted the ensuing exchange rate negotiations with his foreign counterparts did little to allay such concerns. Nevertheless, after months of negotiations, the Group of Ten (G-10) industrialized democracies agreed to a new set of fixed exchange rates centered on a devalued dollar in the December 1971 Smithsonian Agreement. Although characterized by Nixon as "the most significant monetary agreement in the history of the world," the exchange rates established in the Smithsonian Agreement did not last long. Fifteen months later, in February 1973, speculative market pressure led to a further devaluation of the dollar and another set of exchange parities. Several weeks later, the dollar was yet again subjected to heavy pressure in financial markets; however, this time there would be no attempt to shore up Bretton Woods. In March 1973, the G-10 approved an arrangement wherein six members of the European Community tied their currencies together and jointly floated against the U.S. dollar, a decision that effectively signaled the abandonment of the Bretton Woods fixed exchange rate system in favor of the current system of floating exchange rates.

O impulso mercantilista / unilateralista nos EUA (16) [FONTE: Yanis Varoufakis / UnHeard, 3/04/2025]

Will Liberation Day
transform the
world?
The Nixon Shock
set a radical
precedent



Yanis Varoufakis

APRIL 3, 2025 5 MINS

“My philosophy, Mr President, is that all foreigners are out to screw us and it’s our job to screw them first.” With these words, the US Treasury Secretary convinced the President to deliver a colossal shock to the global economy. In the words of one of the President’s men, the objective was to trigger “a controlled disintegration of the world economy”.

O impulso mercantilista / unilateralista nos EUA (17) [FONTE: Yanis Varoufakis / UnHeard, 3/04/2025]

No, those words were not spoken by members of President Trump's team in advance of their "Liberation Day" tariff splurge. While the "foreigners are out to screw us" certainly has a Trumpian ring, it was uttered in the summer of 1971 by then Treasury Secretary John Connally, who succeeded in convincing his President to unleash the infamous Nixon Shock a couple of days later.

Commentators should know better than to pretend that the shock Trump is now delivering is both "unprecedented" and bound to fail like all "reckless" assaults on the prevailing order. The Nixon Shock was more devastating than the one delivered today, especially for Europeans. And precisely because of the economic devastation caused, its architects achieved their main long-term objective: to ensure American hegemony grew alongside America's twin (trade and government budget) deficits.

O impulso mercantilista / unilateralista nos EUA (18) [FONTE: Yanis Varoufakis / UnHeard, 3/04/2025]

The success of the Nixon Shock in no way guarantees the success of Trump's version, but it does remind us that what is good for America's rulers is not necessarily good for most Americans or, indeed, for the world. One of the smartest Nixon advisers, who helped to convince Connally of the need for a shock, articulated this point with brilliant clarity:

“It is tempting to look at the market as an impartial arbiter. But balancing the requirements of a stable international system against the desirability of retaining freedom of action for national policy, a number of countries, including the US, opted for the latter.”

Then with one additional phrase he undermined all of the assumptions on which Western Europe and Japan had erected their post-war economic miracles: “A controlled disintegration in the world economy is a legitimate objective for the Eighties.”

O impulso mercantilista / unilateralista nos EUA (19) [FONTE: Yanis Varoufakis / UnHeard, 3/04/2025]

And 10 months after giving this lecture, the man in question, Paul Volcker, rose to the Presidency of the Federal Reserve. Soon, US interest rates were doubled, then trebled. The controlled disintegration of the world economy, which had started when President Nixon was convinced by Connally and Volcker to dismantle the hitherto stable exchange rates regime, was now being completed with interest rate hikes that were far more devastating than Trump's tariffs can ever be today.

Trump is therefore not the first President to seek the controlled disintegration of the world economy by means of a devastating blow. Nor is he the first to purposely damage America's allies to renew and prolong US hegemony. Nor the first who was prepared to hurt Wall Street in the short run in the process of strengthening US capital accumulation in the long term. Nixon had done all that half a century earlier.

O impulso mercantilista / unilateralista nos EUA (20) [FONTE: Yanis Varoufakis / UnHeard, 3/04/2025]

Trump might be taking a (small-ish) leaf out of Nixon's book regarding oil prices, but he is trying to make his tariffs do for him what the Volcker-led Federal Reserve used interest rates for: as a weapon that inflicts more pain on European and Asian capitalists than it does on American ones.

The outcome of the Trump Shock will depend on whether it has staying power, for which it will probably need bipartisan support. After all, Nixon's equivalent worked because President Carter appointed Volcker to the Federal Reserve and allowed him to continue the Nixon project unhindered; before President Reagan turbocharged it further with the help of Alan Greenspan whom he appointed in 1987 to succeed Volcker. Is the US political system still capable of that degree of bipartisanship? It seems unlikely but, then again, who would have imagined that Biden would embrace Trump's China tariffs and escalate the New Cold War his predecessor started?

Uma nova era de geoeconomia: o choque Trump na economia global (1) [FONTE: Edward N. Luttwak /

The National Interest, Verão de 1990]

From Geopolitics to Geo-Economics

*Logic of Conflict, Grammar of Commerce*_____

—Edward N. Luttwak _____

EXCEPT FOR THOSE unfortunate parts of the world where armed confrontations or civil strife persist for purely regional or internal reasons, the waning of the Cold War is steadily reducing the importance of military power in world affairs.

True, in the central strategic arena, where Soviet power finally encountered the *de facto* coalition of Americans, Europeans, Japanese, and Chinese, existing military forces have diminished very little so far. Nevertheless, as a Soviet-Western war becomes ever more implausible, the ability to threaten or reassure is equally devalued (and by the same token, of course, there is no longer a unifying threat to sustain the coalition against all divisive impulses). Either way, the deference that armed strength could evoke in the dealings of governments over all matters—notably including economic questions—has greatly declined, and seems set to decline further.

Everyone, it appears, now agrees that the methods of commerce are displacing military methods—with disposable capital in lieu of firepower, civilian innovation in lieu of military-technical advancement, and market penetration in lieu of garrisons and bases. But these are all tools, not purposes; what purposes will they serve?

Edward N. Luttwak holds the Burke Chair in Strategy at the Center for Strategic and International Studies, Washington, D.C.

If the players left in the field by the waning importance of military power were purely economic entities—labor-sellers, entrepreneurs, corporations—then only the logic of commerce would govern world affairs. Instead of World Politics, the intersecting web of power relationships on the international scene, we would simply have World Business, a myriad of economic interactions spanning the globe. In some cases, the logic of commerce would result in fierce competition. In others, the same logic would lead to alliances between economic entities in any location to capitalize ventures, vertically integrate, horizontally co-develop, co-produce, or co-market goods and services. But competitively or cooperatively, *the action on all sides would always unfold without regard to frontiers.*

If that were to happen, not only military methods but the logic of conflict itself—which is adversarial, zero-sum, and paradoxical—would be displaced. This, or something very much like it, is in fact what many seem to have in mind when they speak of a new global interdependence and its beneficial consequences.¹

¹The logic of conflict is “zero-sum” since the gain of one side is the loss of the other, and vice versa. That is so in war, in geopolitical confrontations short of war, and in oligopolistic competition (as the market share of one oligopolist can only increase at the expense of another’s); but not in a many-sided (“perfect”)

Uma nova era de geoeconomia: o choque Trump na economia global (2)

[FONTE: Marianne Schneider-Petsinger / Chatham House. Geoeconomics explained. 9-12-2016]

Geoeconomics explained



The term geoeconomics has become popular but it lacks an agreed definition. Most commonly, it is understood as the use of economic tools to advance geopolitical objectives. Other definitions reverse the ends and means, emphasizing how flexing geopolitical muscle is used for economic results. Broadly, one can think of geoeconomics as the interplay of international economics, geopolitics and strategy.

Geoeconomics entered the lexicon in 1990 with an article by Edward Luttwak, which argued that following the Cold War, the importance of military power was giving way to geoeconomic power.

Uma nova era de geoeconomia: o choque Trump na economia global (3)

[FONTE: Marianne Schneider-Petsinger / Chatham House. Geoeconomics explained. 9-12-2016]

One reason the term is more commonly used now is the rise of China, which is increasingly using economic tools to project power. Two other factors are also relevant: the revival of state capitalism and state-owned enterprises means that states have more economic resources at their disposal; and the deep integration of global trade links and financial markets has made geoeconomic tools more powerful.

In *War by Other Means*, Robert Blackwill and Jennifer Harris explore today's leading geoeconomic instruments: trade policy, investment policy, economic and financial sanctions, financial and monetary policy, energy and commodities, aid and cyber. While some function as they have in the past (aid), others are new (cyber) or operate in a different environment (energy).

China is arguably the world's most prominent practitioner of geoeconomics, but Russia and the US are also major players. Beijing has repeatedly cut car imports from Japan or withheld exports of Chinese rare earths to Japan in efforts to weaken Tokyo's resolve over territory and sovereignty in the East China Sea. In providing aid to Africa, China rewards those countries that vote with it at the United Nations.

Uma nova era de geoeconomia: o choque Trump na economia global (4) [FONTE: Mark Leonard (2021). *The Age of Unpeace: How Connectivity Causes Conflict*. Random House.]

“The forces of **connectivity** intended to bring the world together have metamorphosed into the battlegrounds of a global tug of war. There is an economic realm defined by trade supply chains, currencies and financial systems, as well as natural resources and energy. There is a contest over global infrastructure linked to the flow of energy and data. There is a technological world where participants will fight over intellectual property and information. There will be battles over migration and refugees and the transit agreements that regulate their flow. And global institutions will continue to be a battleground rather than a check on competition.”

In Mark Leonard, *The Age of Unpeace. How Connectivity Causes Conflict* (Introduction), 2021

Uma nova era de geoeconomia: o choque Trump na economia global (5)

[FONTE: Farrell, H., & Newman, A. L. (2019). Weaponized Interdependence: How Global Economic Networks Shape State Coercion. *International security*, 44(1), 42-79.]

“In this article, we develop a different understanding of state power, which highlights the structural aspects of interdependence. [...] **Asymmetric network structures create the potential for ‘weaponized interdependence’, in which some states are able to leverage interdependent relations to coerce others.** Specially, states with political authority over the central nodes in the international networked structures through which money, goods, and information travel are uniquely positioned to impose costs on others.” [...].

In H. Farrell & A. L. Newman (2019). *Weaponized Interdependence...*
International security, 44(1), pp.44-45

Uma nova era de geoeconomia: o choque Trump na economia global (6)

[FONTE: Farrell, H., & Newman, A. L. (2022, 12-05). Weak links in finance and supply chains are easily weaponized. Nature, Vol. 605.]

Weak links in finance and supply chains are easily weaponized

Henry Farrell & Abraham L. Newman

Russian sanctions highlight how network analysis is urgently needed to find and protect vulnerable parts of the global economy.

When Russia invaded Ukraine on 24 February, nobody expected that the United States, the European Union, the United Kingdom, Japan, Canada and other nations would isolate Russia from the global economy in retaliation. Instead of limited and largely symbolic sanctions, which were all Russia faced when it annexed Crimea and occupied eastern parts of Ukraine in 2014, this latest response has had devastating ripple effects.

Key Russian banks have been denied access

to the US dollar, foreign reserves and the Society for Worldwide Interbank Financial Telecommunication (SWIFT) messaging system, which banks use to relay financial information to each other. The United States and its allies blocked the export of high-end semiconductors to Russia's technology and defence sectors, as well as software, oil- and gas-refining equipment and other items. As one US law firm put it, it is now illegal to knowingly supply a toothbrush to a company that occasionally helps to repair Russian military equipment.

Uma nova era de geoeconomia: o choque Trump na economia global (7)

[FONTE: Farrell, H., & Newman, A. L. (2022, 12-05). Weak links in finance and supply chains are easily weaponized. Nature, Vol. 605.]

Networks as weapons

Globalization has led to extraordinary economic efficiency. Money transfers happen in nanoseconds, not days or weeks. Global supply chains allow hundreds of suppliers in dozens of countries to build complex products, such as smartphones. Some supply chains are dominated by one country. For instance, China controls nearly all stages of photovoltaics manufacturing.

These links make economies more interdependent. Businesses in different countries might rely on a single supplier for the sake of efficiency – which creates risks if that supplier fails. As war has spread across Ukraine, German car factories have fallen idle because they cannot obtain electronic cabling systems, or ‘wire harnesses’, produced by Ukrainian suppliers.

The global economy isn’t symmetric, an open system of links that offers many alternative routes when one closes, as conventional wisdom has supposed. It’s asymmetric: the flows of trade and finance rely on a relatively small number of hubs or nodes with many connections^{2,3}. Control over those hubs allows governments to deny adversaries access to key parts of global economic networks⁴.

For example, in 2019, when South Korean courts found Japan potentially liable for forced labour during the Second World War, Japan threatened the South Korean electronics industry. Companies such as Samsung, based in Suwon-si, South Korea, relied on chemicals and components, including fluorinated polyimide and photoresists, to make their products. This made them vulnerable to pressure from Japan, which produced 90% of these precursors.

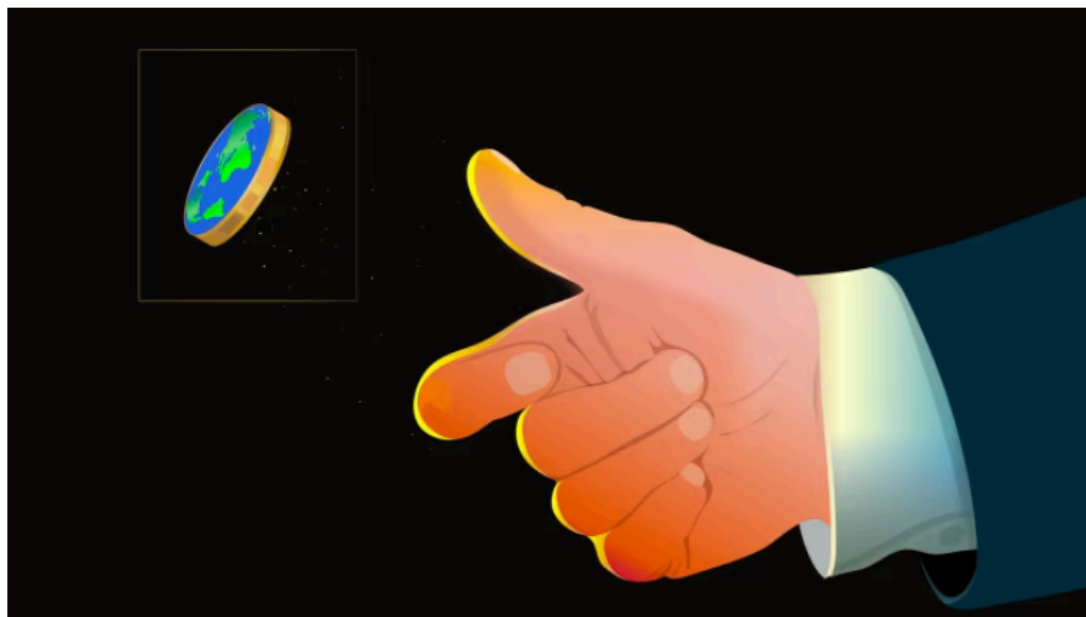
“There are uncertain consequences of removing elements of a system whose workings are unmapped.”

A few nations or companies have disproportionate sway over areas of finance and trade. For example, SWIFT is based in the EU, but is run by banks that rely on the US financial system. Transactions between non-US parties often rely on US dollars, which means that they have to be cleared through a small number of US-regulated financial institutions. And Silicon Valley in California controls much of the world’s advanced technology and computing.

Uma nova era de geoeconomia: o choque Trump na economia global (8) [FONTE: Gillian Tett / FT, 3/4/2025]

How to make sense of Donald Trump's tariffs

The new field of 'geoeconomics' offers a guide for the perplexed



© Efi Chalikopoulou

How can investors parse Donald Trump's policymaking? That is a burning question right now, as [markets tumble](#) after the US president announced tariffs on Wednesday that exceed even those of the protectionist 1930s.

Uma nova era de geoeconomia: o choque Trump na economia global (9) [FONTE: Gillian Tett / FT, 3/4/2025]

However, I would argue that there is one economist whose work is very relevant in this moment: Albert Hirschman, author of a striking book published in 1945, *National Power and the Structure of Foreign Trade*.

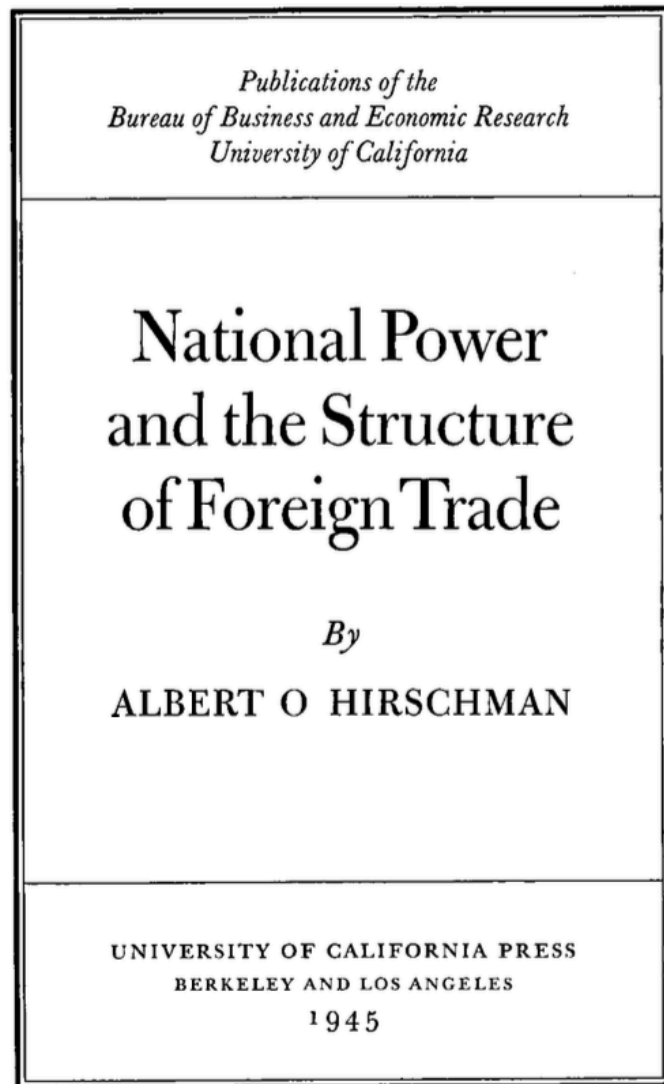
In recent decades, this work has gone largely ignored, as Jeremy Adelman, a Princeton historian who wrote Hirschman's biography, points out. No wonder. The German Jewish economist suffered such trauma in the Spanish civil war and Nazi Germany that when he arrived at the University of California, Berkeley, as an economist, he decided to study autarky.

More specifically, he used the disastrous protectionism of the 1930s to develop a framework for measuring economic coercion and the exercise of hegemonic power (the academic word for bullying). However, this analysis was largely ignored by trade economists, since it ran counter to both Keynesian and neoliberal economic ideas.

Instead, the book's main impact was on antitrust analysis. The economist Orris Herfindahl later used Hirschman's ideas to create an [index measuring corporate concentration](#), which was adopted by the US Department of Justice, among others.

Uma nova era de geoeconomia: o choque Trump na economia global (10)

[FONTE: Albert Hirschman, National Power and the Structure of Foreign Trade, 1945]



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Uma nova era de geoeconomia: o choque Trump na economia global (11)

[FONTE: Albert Hirschman, National Power and the Structure of Foreign Trade, 1945]

Economic Thought on the Relationship Between Foreign Trade and National Power

BECAUSE OF an enduring liberal tradition, the conflict of social purposes which has been popularized by Goering's blunt statement of the choice to be made between guns and butter surprised great numbers of people in the democratic countries. Often-heard phrases, like the perversion of normal economic activities or the diversion of national wealth from its true economic purposes, indicate that in spite of the experience of the First World War the pursuit of power was still largely considered as a subordinate or exceptional aim of economic policy.

Uma nova era de geoeconomia: o choque Trump na economia global (12)

[FONTE: Albert Hirschman, National Power and the Structure of Foreign Trade, 1945]

It is not surprising therefore that at first sight the pursuit of so different an objective as national power should have been deemed irreconcilable with the pursuit of any type of welfare. The alternative between guns and butter became, in academic language, the opposition between two economic systems, the economics of welfare and the economics of power.²

If the proposal to make the power of the state a primary aim of economic policy was a shock to many contemporary minds, it nevertheless formed the basis and even the *raison d'être* of earlier schools of economic thought, Machiavelli to the contrary notwithstanding.

Uma nova era de geoeconomia: o choque Trump na economia global (13)

[FONTE: Gillian Tett / FT, 3/4/2025]

However, if Hirschman had been alive to watch Trump unveil his tariff strategy in the White House Rose Garden this week, he would not have been surprised. Neoliberal thinkers often see politics as a derivative of economics. But Hirschman viewed this in reverse, arguing that “so long as a sovereign nation can interrupt trade with any country at its own will, the contest for more national power permeates trade relations”.

And he viewed “commerce as...a model of imperialism which did not require ‘conquest’ to subordinate weaker trading partners”, as Adelman says. This is close to how the Trump advisers parse economics. But it is very different from how Adam Smith or David Ricardo saw trade flows (which they assumed involved comparably powerful players).

Some economists are leaning into this shift. Just after Trump spoke, a trio of American economists — Christopher Clayton, Matteo Maggiori and Jesse Schreger — released [a paper](#) outlining the growing field of “geoeconomics”, inspired by Hirschman.

Uma nova era de geoeconomia: o choque Trump na economia global (14)

[FONTE: Gillian Tett / FT, 3/4/2025]

This work has already produced three themes that investors should pay attention to. First, and most obviously, the trio's analysis shows that it is dangerous for small countries to become too dependent on any large trading partner, and they [offer tools](#) to measure such vulnerability.

Second, they argue that the source of America's hegemonic power today is not manufacturing (since China controls key supply chains) but is instead financial and structured around the dollar-based system.

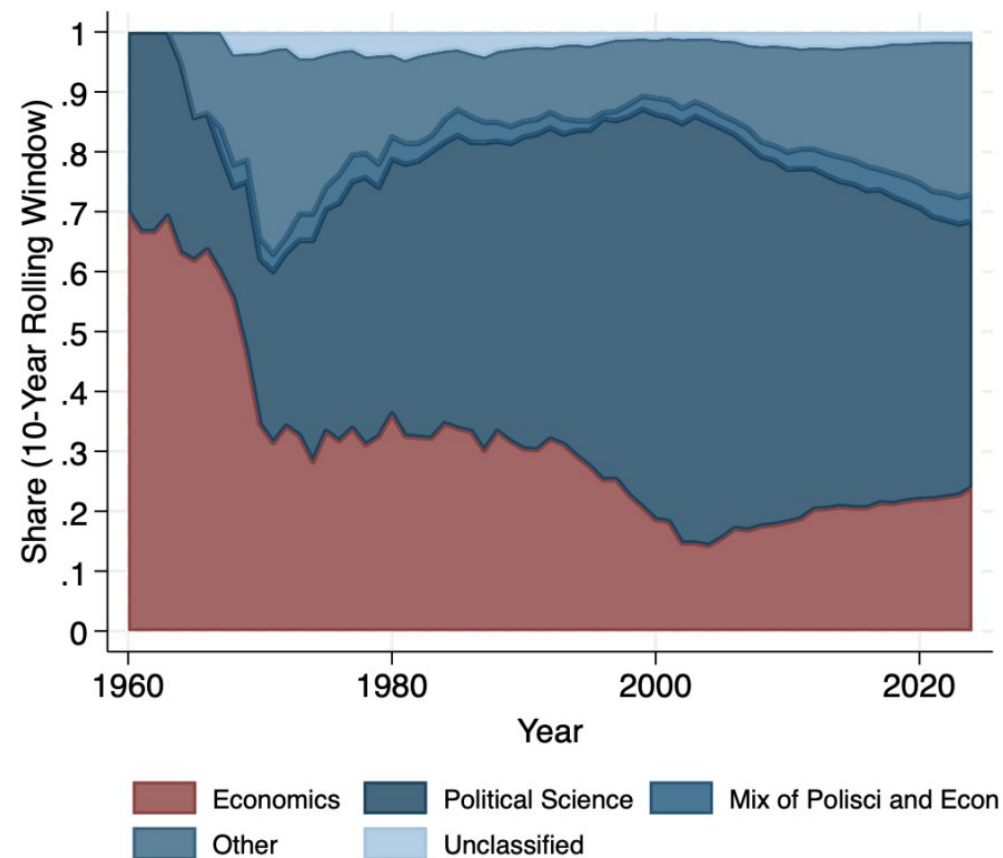
Trump's tariffs, therefore, are essentially an attempt to challenge *another* hegemon (China), but his policies around finance are an effort to defend existing dominance. (The hegemony in technological power, I would argue, is still contested.) This distinction matters for other countries trying to respond.

Third, the trio argue that hegemonic power does not work in a symmetrical manner. If a bully has an 80 per cent market share, say, it usually has 100 per cent control; but if market share slips to 70 per cent, hegemonic power crumbles faster, since weaklings can see alternatives.

Uma nova era de geoeconomia: o choque Trump na economia global (15)

[FONTE: Christopher Clayton, Matteo Maggiori, e Jesse Schreger, Putting Economics Back Into Geoeconomics, 2025]

Figure 1: “National Power” in Economics and Political Science

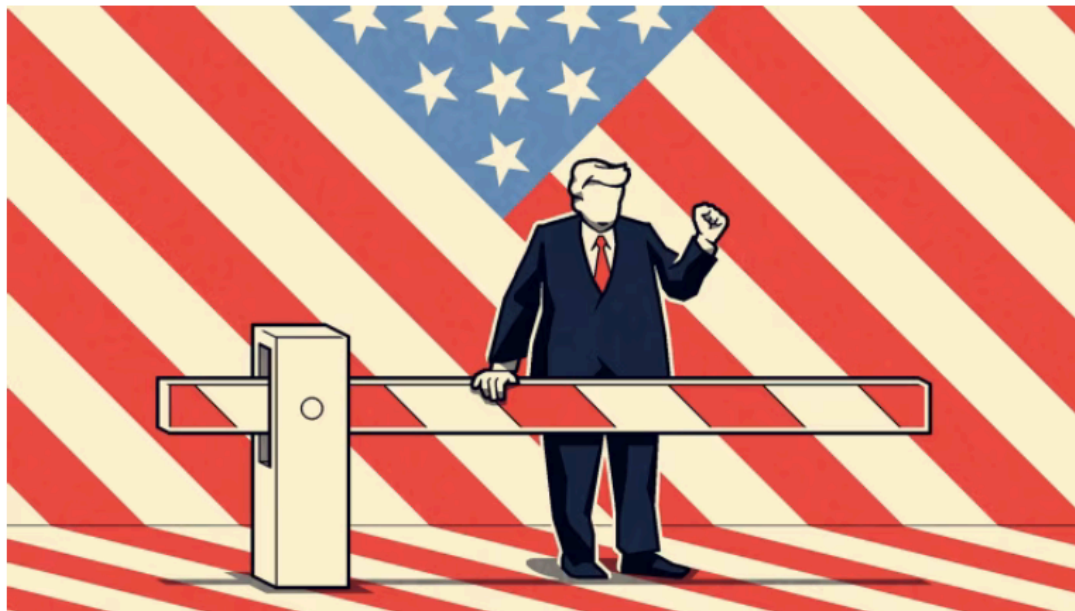


Notes: 10-year rolling window citation analysis of [Hirschman \(1945\)](#) by field.

Uma nova era de geoeconomia: o choque Trump na economia global (16) [FONTE: Rana Foroohar / FT, 31/03/2025]

The realpolitik of Trump's tariffs

The president's trade policy is about power and security, not economics



© Matt Kenyon

T-day — or Tariff Day — is coming this week. Or not. We simply won't know until it's here, given that President Donald Trump changes his mind about policy daily. But assuming reciprocal tariffs do go into effect, it's worth thinking about them as Trump himself probably does.

Uma nova era de geoeconomia: o choque Trump na economia global (17) [FONTE: Rana Foroohar / FT, 31/03/2025]

Economists might fret about their inflationary effects, but Trump isn't motivated by classical economic theory. To the extent that he thinks about tariffs in purely economic terms at all, he would look at the evidence of the increased tariffs against China during his first term, between 2018 and 2019, and note that, even though these represented a material adjustment in rates, they had minimal inflationary effect.

As Stephen Miran, the chair of Trump's Council of Economic Advisers, put

it in his now infamous report "A User's Guide to Restructuring the Global Trading System", the result of these tariffs was that "the dollar rose by almost the same amount as the effective tariff rate, nullifying much of the macroeconomic impact but resulting in significant revenue. Because Chinese consumers' purchasing power declined with their weakening currency, China effectively paid for the tariff revenue."

Readers who want to understand America's current tariff strategy would do better to think less about orthodox economics, and more about the realpolitik that motivates Trump. There are three points to consider here.

Uma nova era de geoeconomia: o choque Trump na economia global (18) [FONTE: Rana Foroohar / FT, 31/03/2025]

Trump's realpolitik rule number one is that burden sharing between America and the rest of the world must shift. We already know about this in terms of the US push for more European defence spending. But when it comes to tariffs, there are only three numbers that matter to Trump: the average US tariff rate on other countries is 3 per cent; Europe's is 5 per cent; and China's is 10 per cent. To him, and to many Americans, those figures seem fundamentally unfair. If the president can move those averages closer together within four years without any major inflationary impact or a market crash, that will represent success to him, and to many voters.

Realpolitik rule two is that China is the most critical geostrategic threat to the US and must be countered by any means necessary. Trade deficits between the two countries matter to Trump, but so does security. This is the reason that he is pursuing decoupling in areas such as [ships](#), technology, critical minerals and energy, creating separate nodes of production and consumption globally for security reasons. It is all about being able to project power and strength, which are the things — aside from wealth — that motivate him.

Uma nova era de geoeconomia: o choque Trump na economia global (19) [FONTE: Rana Foroohar / FT, 31/03/2025]

Finally, realpolitik rule three is that the Trump administration views the dollar as both an exorbitant privilege, as then French finance minister Valéry Giscard d'Estaing put it in the 1960s, and an exorbitant burden. The emphasis right now is on the latter.

The possibility of a ["Mar-a-Lago" accord](#) to weaken the dollar is roughly based on Ronald Reagan's 1985 Plaza Accord, which did the same thing relative to European and Japanese currencies. In both cases, the goal was to make US exports more competitive.

While many people believe Trump would never do anything to destabilise the dollar and thus potentially endanger the US stock market, it's worth bearing in mind that his re-election is no longer on the table. Share prices undoubtedly matter to him, but legacy probably matters more. Being the president who ended the Bretton Woods era would be quite the legacy.

Consider too that the dollar must weaken to support re-industrialisation, which is crucial to realpolitik rule number two. This is also an echo of the Reagan era, another period in which realpolitik mattered as much as economics.

Uma nova era de geoeconomia: o choque Trump na economia global (20)

[FONTE: The White House / Council of Economic Advisors. FOTO: Stephen Miran (LinkedIn)]

PRESIDENT DONALD J. TRUMP

The WHITE HOUSE

Council of Economic Advisers

NEWS

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About

The Council of Economic Advisers, an agency within the Executive Office of the President established by Congress in the 1946 Employment Act, is charged with offering the President objective economic advice on the formulation of both domestic and international economic policy. The Council bases its recommendations and analysis on economic research and empirical evidence, using the best data available to support the President in setting our nation's economic policy to promote employment, production, and purchasing power under free competitive enterprise. Under President Trump, Stephen Miran serves as Chair and Pierre Yared and Kim Ruhl serve as Members of the CEA.

Uma nova era de geoeconomia: o choque Trump na economia global (21) [FONTE: Stephan Miran / Hudson Bay Capital, Novembro 2024]

A User's Guide to Restructuring the Global Trading System

November 2024

Executive Summary

The desire to reform the global trading system and put American industry on fairer ground *vis-à-vis* the rest of the world has been a consistent theme for President Trump for decades. We may be on the cusp of generational change in the international trade and financial systems.

The root of the economic imbalances lies in persistent dollar overvaluation that prevents the balancing of international trade, and this overvaluation is driven by inelastic demand for reserve assets. As global GDP grows, it becomes increasingly burdensome for the United States to finance the provision of reserve assets and the defense umbrella, as the manufacturing and tradeable sectors bear the brunt of the costs.

In this essay I attempt to catalogue some of the available tools for reshaping these systems, the tradeoffs that accompany the use of those tools, and policy options for minimizing side effects. This is not policy advocacy, but an attempt to understand the financial market consequences of potential significant changes in trade or financial policy.

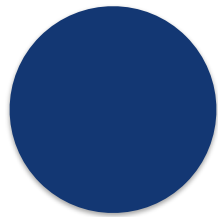
Uma nova era de geoeconomia: o choque Trump na economia global (22)

[FONTE: Stephan Miran / Hudson Bay Capital, Novembro 2024]

Tariffs provide revenue, and if offset by currency adjustments, present minimal inflationary or otherwise adverse side effects, consistent with the experience in 2018-2019. While currency offset can inhibit adjustments to trade flows, it suggests that tariffs are ultimately financed by the tariffed nation, whose real purchasing power and wealth decline, and that the revenue raised improves burden sharing for reserve asset provision. Tariffs will likely be implemented in a manner deeply intertwined with national security concerns, and I discuss a variety of possible implementation schemes. I also discuss optimal tariff rates in the context of the rest of the U.S. taxation system.

Currency policy aimed at correcting the undervaluation of other nations' currencies brings an entirely different set of tradeoffs and potential implications. Historically, the United States has pursued multilateral approaches to currency adjustments. While many analysts believe there are no tools available to unilaterally address currency misvaluation, that is not true. I describe some potential avenues for both multilateral and unilateral currency adjustment strategies, as well as means of mitigating unwanted side effects.

Finally, I discuss a variety of financial market consequences of these policy tools, and possible sequencing.



PARTE II – NOTAS BREVES

Os possíveis efeitos das tarifas aplicadas pelos EUA (1) [FONTE: Eswar Prasad / Foreign Affairs, 3/04/2025]

The Age of Tariffs

Trump Is Launching a Turbulent New Era for the Global Economy

BY ESWAR PRASAD

April 3, 2025

ESWAR PRASAD is Professor in the Dyson School at Cornell University and a Senior Fellow at the Brookings Institution.



U.S. President Donald Trump announcing new tariffs in Washington, D.C., April 2025
CARLOS BARRIA / REUTERS

Os possíveis efeitos das tarifas aplicadas pelos EUA (2) [FONTE: Eswar Prasad / Foreign Affairs, 3/04/2025]

The era of increasingly free and extensive international trade, built on a rules-based system that the United States helped create, has come to an abrupt end. On April 2, in a theatrical White House event, U.S. President Donald Trump rolled out a series of massive tariffs that will affect almost every foreign country. In one sense, his announcement wasn't a surprise: from the moment he took office, businesses and financial analysts knew that Trump would raise trade barriers. But the scale and scope of the tariffs confirmed their worst fears. In one fell swoop, Washington has severely restricted international commerce.

In justifying this new era of tariffs, Trump has argued that the United States is the victim of unfair trading practices. As with many of Trump's ideas, there is more than a kernel of truth in his claims. China, for instance, has taken advantage of World Trade Organization rules to gain access to other countries' markets for its exports while limiting access to its own markets. Beijing has also used extensive subsidies and other measures to boost the global competitiveness of Chinese companies, including by forcing foreign firms to hand over technology.

Os possíveis efeitos das tarifas aplicadas pelos EUA (3) [FONTE: Eswar Prasad / Foreign Affairs, 3/04/2025]

BAD MATH

To decide what tariffs to levy, Trump ostensibly calculated all the ways in which countries cheat—including through tariffs, nontariff barriers, and currency manipulation—to estimate the total “tariff” each country imposed on the United States. In practice, this meant dividing the U.S. trade deficit with a country by the amount of goods it exported to the United States. (These calculations conveniently exclude services trade—such as tourism, education, and business services—in which the United States runs a surplus with most of its trading partners). Trump then generously gave each country a discount of 50 percent, imposing reciprocal tariffs on goods imports equivalent to half that measure.

Os possíveis efeitos das tarifas aplicadas pelos EUA (4) [FONTE: Eswar Prasad / Foreign Affairs, 3/04/2025]

Industries with complex supply chains threaded through multiple countries, such as auto manufacturing, will face the most severe consequences. But any business that has benefited from supply chains that are efficient and cost-effective (which is to say most of them) will now have to retrench in order to reduce its exposure to trade policy and geopolitical risks. This will inevitably drive up prices for consumers, because businesses prioritize resilience rather than efficiency. Even the agricultural products, machinery and equipment, and high-technology goods the United States exports will be adversely affected, thanks to retaliatory tariffs imposed by Washington's trading partners.

POINT OF NO RETURN

The rest of the world is still reacting to Trump's announcement. But countries will likely respond with a combination of retaliation, appeasement, and diversification. Each of these approaches has challenges.

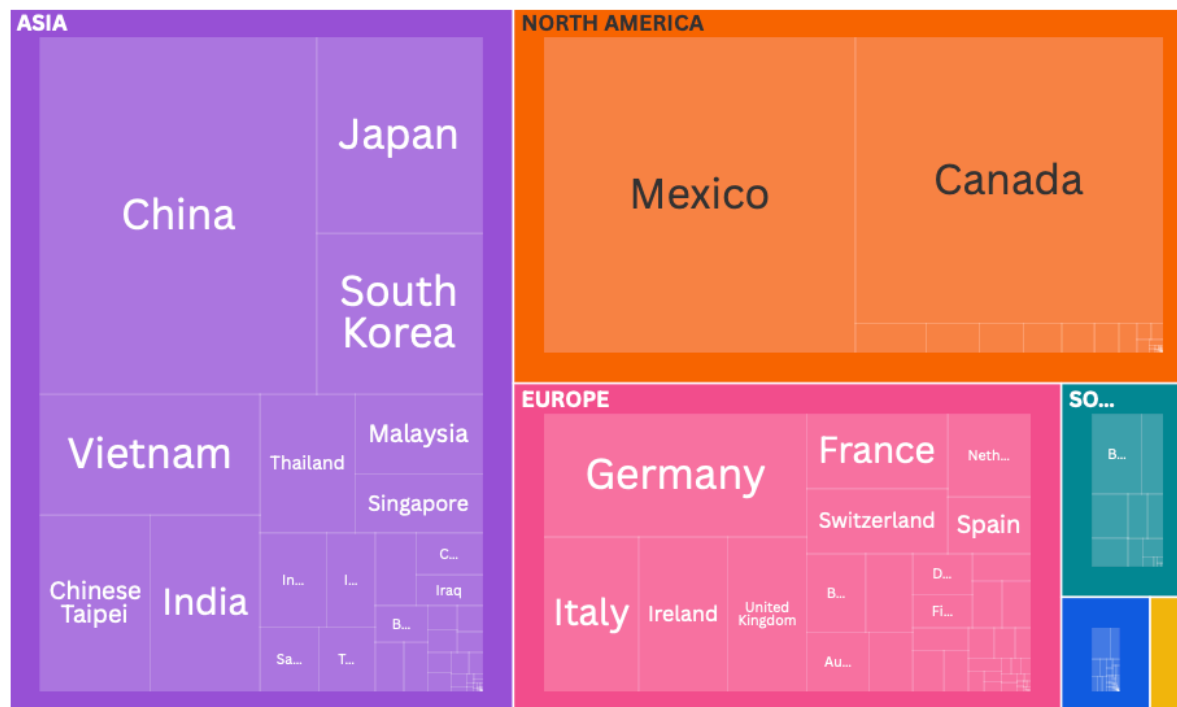
Os possíveis efeitos das tarifas aplicadas pelos EUA (5) [FONTE:The Independent, 4/04/2025]

Top countries exporting to the US

In 2023, the US imported the most goods from China, Mexico and Canada, totalling over \$1.3 trillion in imports between the three countries. (figures for goods imports, USD, 2023 according to the OEC)

Some **219 countries** worldwide export to the United States and are therefore at risk of tariffs.

All ▼



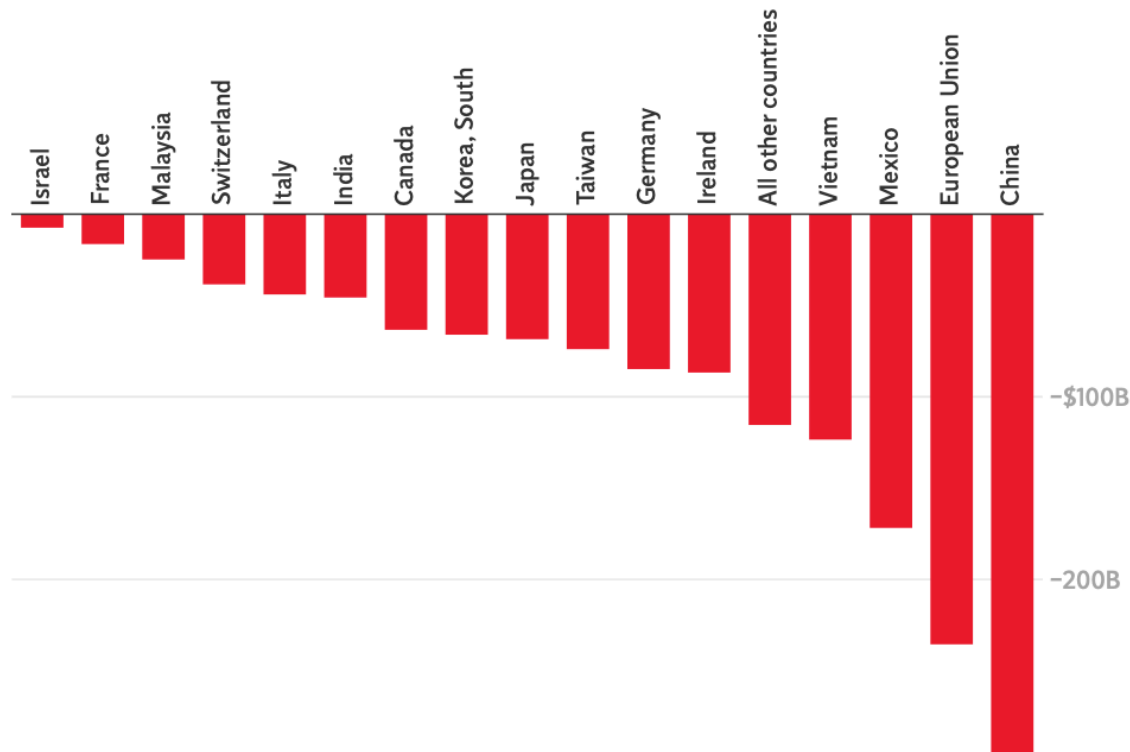
Source: [Observatory of Economic Complexity \(OEC\)](#), 2023 • graph by Alicja Hagopian

Os possíveis efeitos das tarifas aplicadas pelos EUA (6) [FONTE:The Independent, 4/04/2025]

China and the EU have worst trade deficits with US

China, Mexico and Vietnam all export hundreds of billions more dollars in goods to the US than they import, making them a prime target for Trump's upcoming tariffs.

As a bloc, the European Union has a \$235 billion trade deficit with the US; led by Germany and Ireland. **Click each bar for the full value.**



Reported trade deficit in goods, over 2024, in USD by the US Bureau of Economic Analysis.

Chart: Alicja Hagopian • Source: [USBEA](#)

 INDEPENDENT

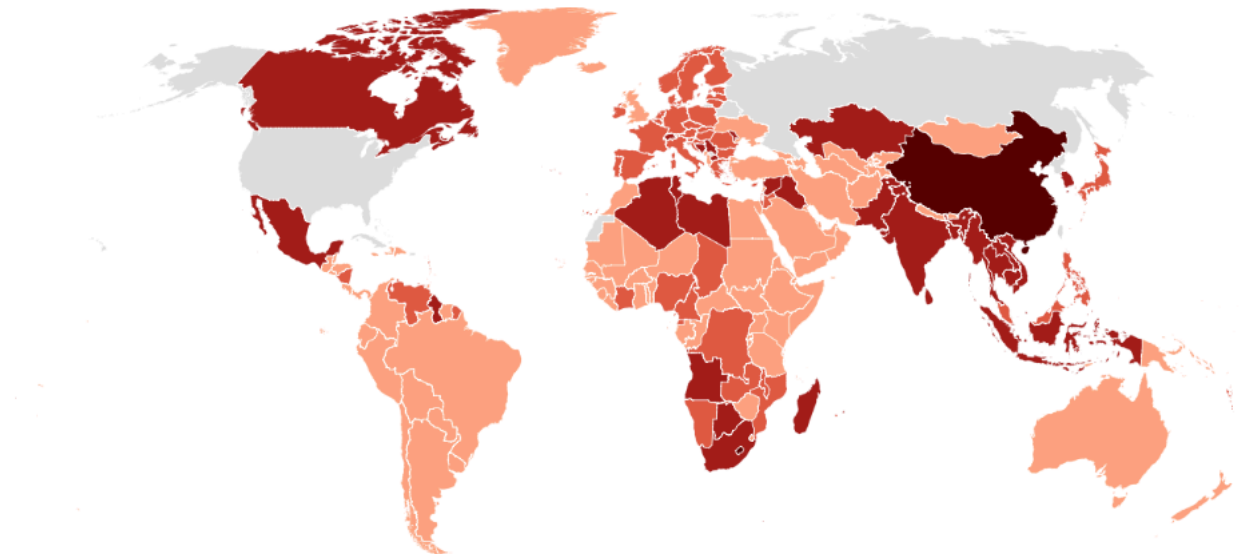
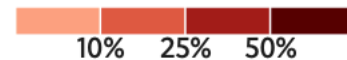
Os possíveis efeitos das tarifas aplicadas pelos EUA (7) [FONTE:The Independent, 4/04/2025]

The trade war: countries hit by reciprocal tariffs

Most countries that trade with the US have been hit with reciprocal tariffs on Liberation Day. Imported goods will be face a 10% base rate on the lowest end, to custom tariffs as high as 54% for China.

Click each country for full details.

New tariff on imported goods:



Map: Alicja Hagopian • Source: Independent analysis of trade and White House figures

 **INDEPENDENT**

Os possíveis efeitos das tarifas aplicadas pelos EUA (8) [FONTE:The Independent, 4/04/2025]

Top three countries hit by tariffs across sectors

Canada, Mexico and China are all at risk of being hit by mutliple tariffs: a 10/20/25% direct tariff across most goods; a separate 25% tariff on steel and aluminum; and a separate 25% tariff on automotive imports.

Table shows value of US imports in each sector per country, 2024, USD.

	Direct tariffs*	Steel	Aluminum	Auotomotive (passenger vehicles and parts)	Total value of goods facing tariffs
Canada	\$253 bn	\$7.7bn	\$10.4bn	\$46.8bn	\$317.9bn
China	\$430 bn	\$0.5bn	\$0.9bn	\$17.4bn	\$448.8bn
Mexico	\$236 bn	\$3.3bn	\$0.4bn	\$131.2bn	\$370.9bn

*Direct tariffs: tariffs on all goods imported to the US, **excluding** temporarily exempted goods (calculated by the Tax Foundation). Steel, aluminum, and automotive figures are for value of US imported goods in 2024, according to trade data. Note: 'total value of goods facing tariffs' includes all sectors added together, due to possible cumulative tariffs.

Table: Alicja Hagopian • Source: USBEA/ Tax Foundation/ Independent analysis

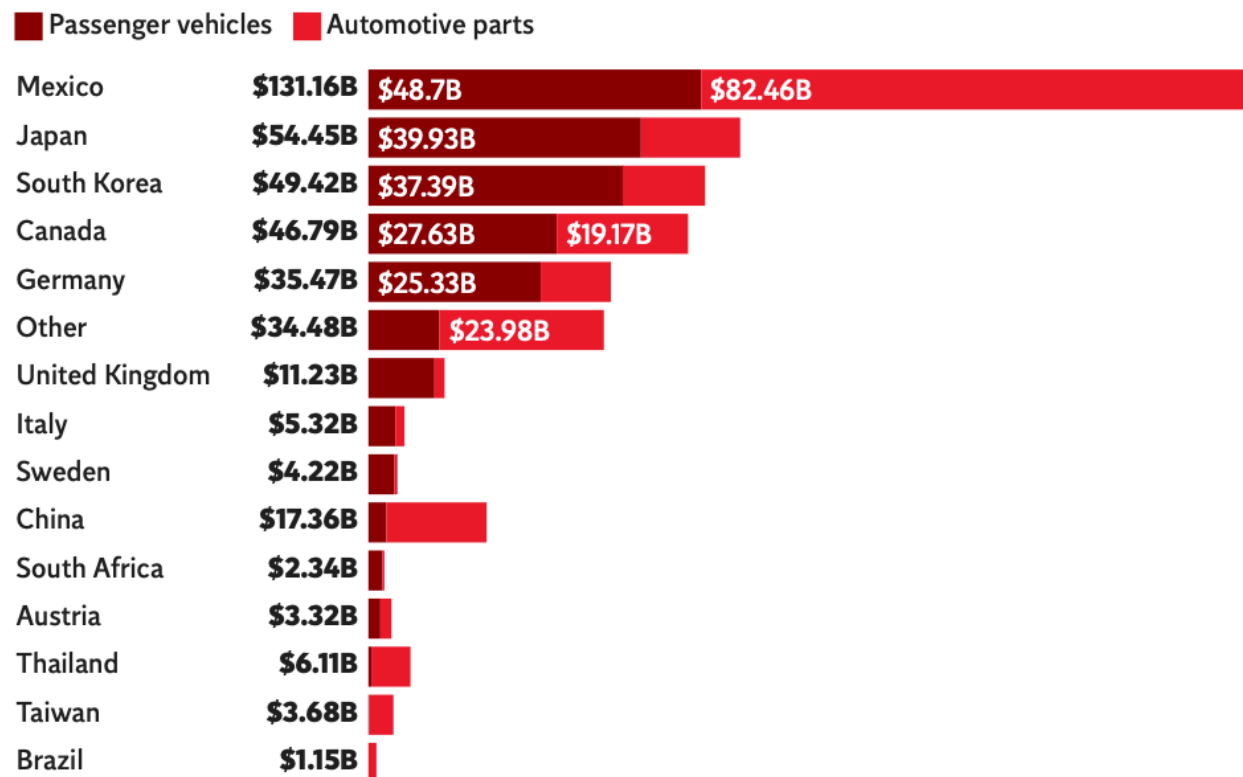


Os possíveis efeitos das tarifas aplicadas pelos EUA (9) [FONTE: The Independent, 4/04/2025]

Mexico set to suffer most from auto tariffs

Already hit by country-specific tariffs, Mexico is also the top exporter of passenger vehicles and automotive parts to the United States, at \$131 billion overall.

Japan, South Korea, Canada, Germany and China are all top suppliers of vehicles and parts, which will see 25% tariffs from April 2.



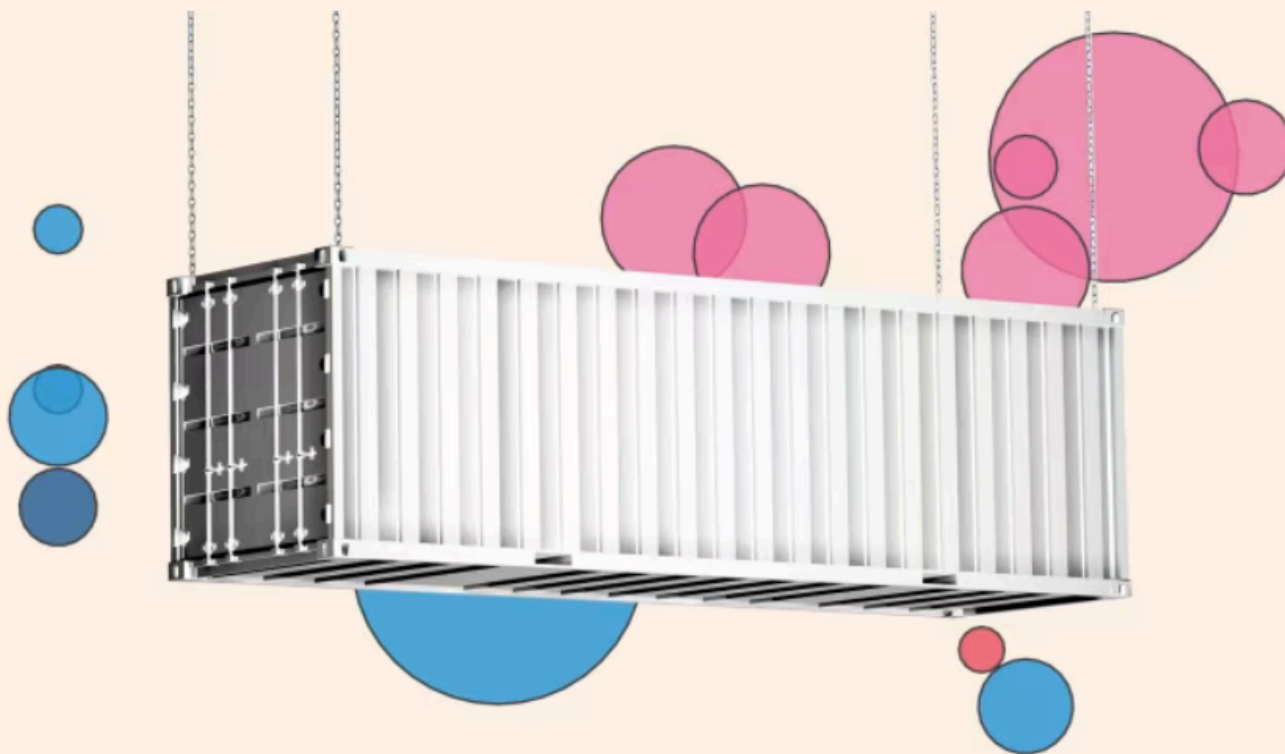
Figures for 2024, US Bureau of Economic Analysis, in USD billions.

Chart: Alicja Hagopian • Source: [USBEA](#)

Os possíveis efeitos das tarifas aplicadas pelos EUA (10) [FONTE: FT, 5/04/2025]

In charts: winners and losers from Trump's new tariffs

Low rates on Ireland, high levies on Slovakia, Asian misery and the strange tale of St Pierre and Miquelon



© FT montage; Getty Images

Os possíveis efeitos das tarifas aplicadas pelos EUA (11) [FONTE: FT, 5/04/2025]

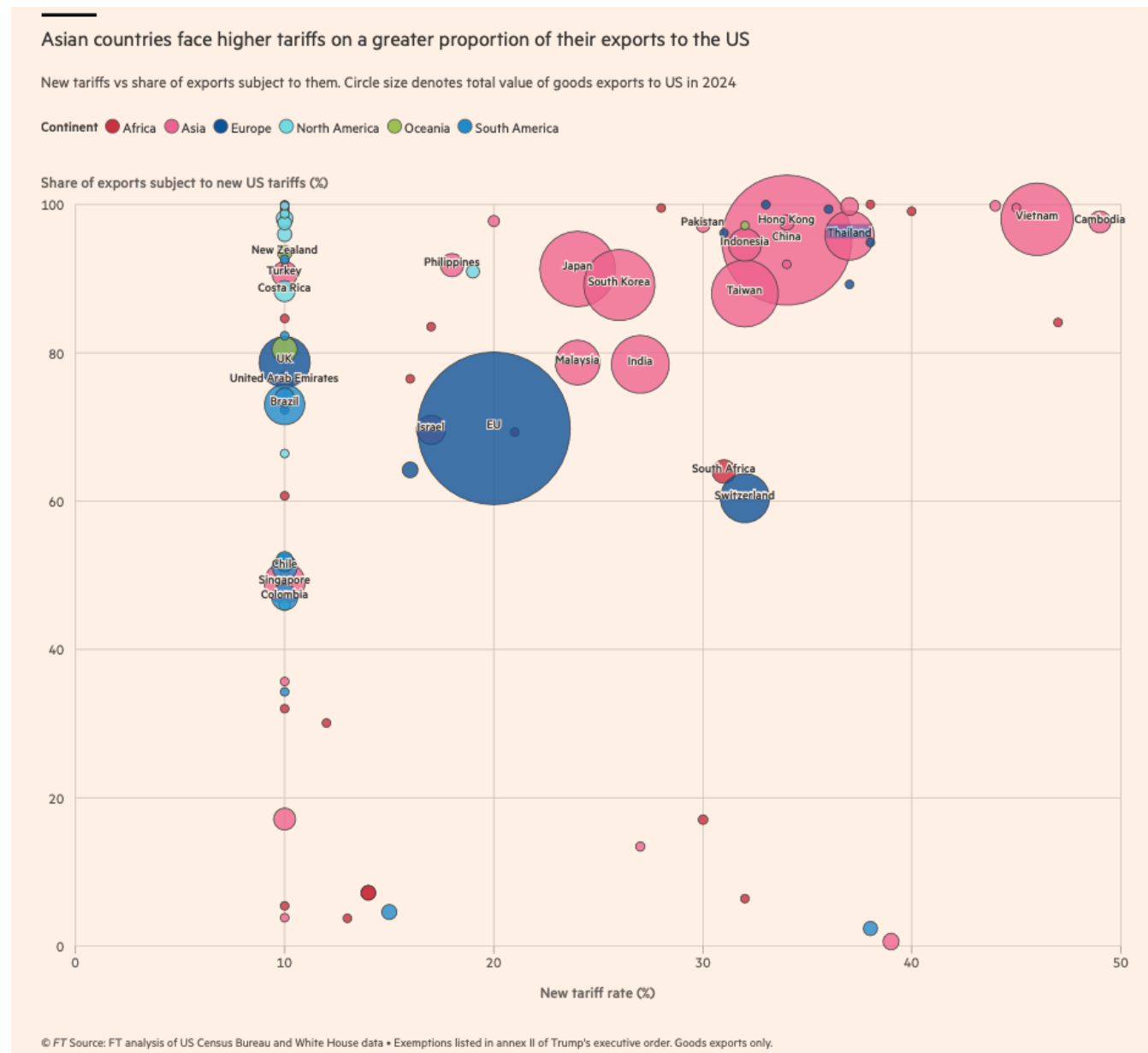
Asian countries take a double hit

Many of the highest tariff rates announced by Trump on Wednesday apply to Asian countries, with Cambodia facing tariffs of 49 per cent, Vietnam 46 per cent, Thailand 37 per cent, Taiwan 32 per cent and Indonesia 32 per cent, all well above the blanket 20 per cent rate imposed on US imports from the EU, for example.

Compounding the misery for those nations, the vast majority of the region's exports to the US will not be covered by the limited list of exempted goods announced by the White House on Wednesday.

Even if these exemptions — which include pharmaceuticals, semiconductors, lumber and certain minerals — prove to be temporary, it sends a clear message to Asian countries that their staple exports to the US are potential early casualties of a new trade war.

Os possíveis efeitos das tarifas aplicadas pelos EUA (12) [FONTE: FT, 5/04/2025]



Os possíveis efeitos das tarifas aplicadas pelos EUA (13) [FONTE: FT, 5/04/2025]

The EU's flat rate

The 20 per cent flat rate applied to all the EU has created a curious pattern of winners and losers, depending on each member state's individual trade with the US.

In 2024, the US reported that its biggest trade surplus in goods was with the Netherlands (\$55bn), which receives the same tariff rate as Ireland — with which the US ran a goods deficit of \$87bn over the same period.

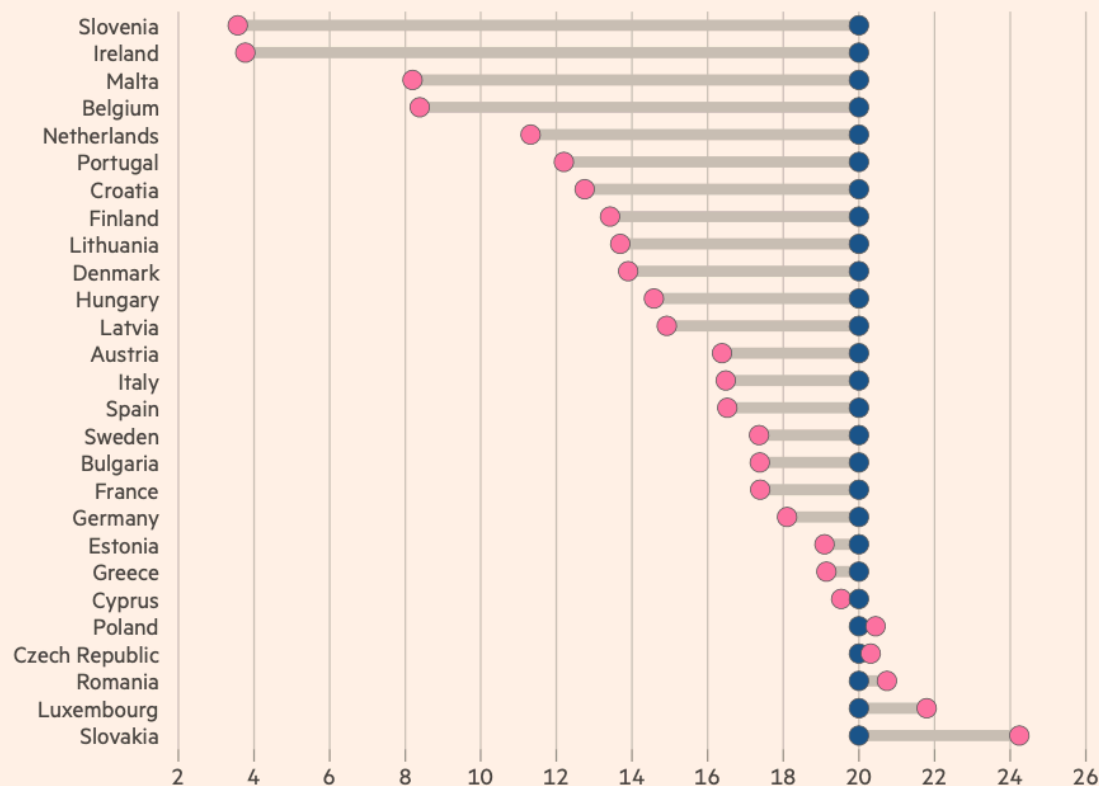
Nations like France, Spain and Belgium, with which the US runs surpluses or small deficits, may grumble at the blanket rate, but 15 countries in the bloc would have received a higher tariff if the rules had been applied at individual member level.

Os possíveis efeitos das tarifas aplicadas pelos EUA (14) [FONTE: FT, 5/04/2025]

After exemptions, effective tariff rates will vary considerably across the EU

Headline tariff announced Apr 2 2025 and effective tariff accounting for exemptions and 2024 trade-weighted (%)

● Announced tariff ● Effective tariff*



© FT Source: Johannes Fritz/Global Trade Alert • *Based on all current product-level exceptions, tariffs and country-specific US import statistics

Os possíveis efeitos das tarifas aplicadas pelos EUA (15) [FONTE: FT, 5/04/2025]

Annual trade patterns may not repeat every year

The so-called “reciprocal” element of the tariffs was calculated using trade data from 2024. But import and export trends constantly shift, leaving a slew of countries facing tariff punishment after one good year — and vice versa.

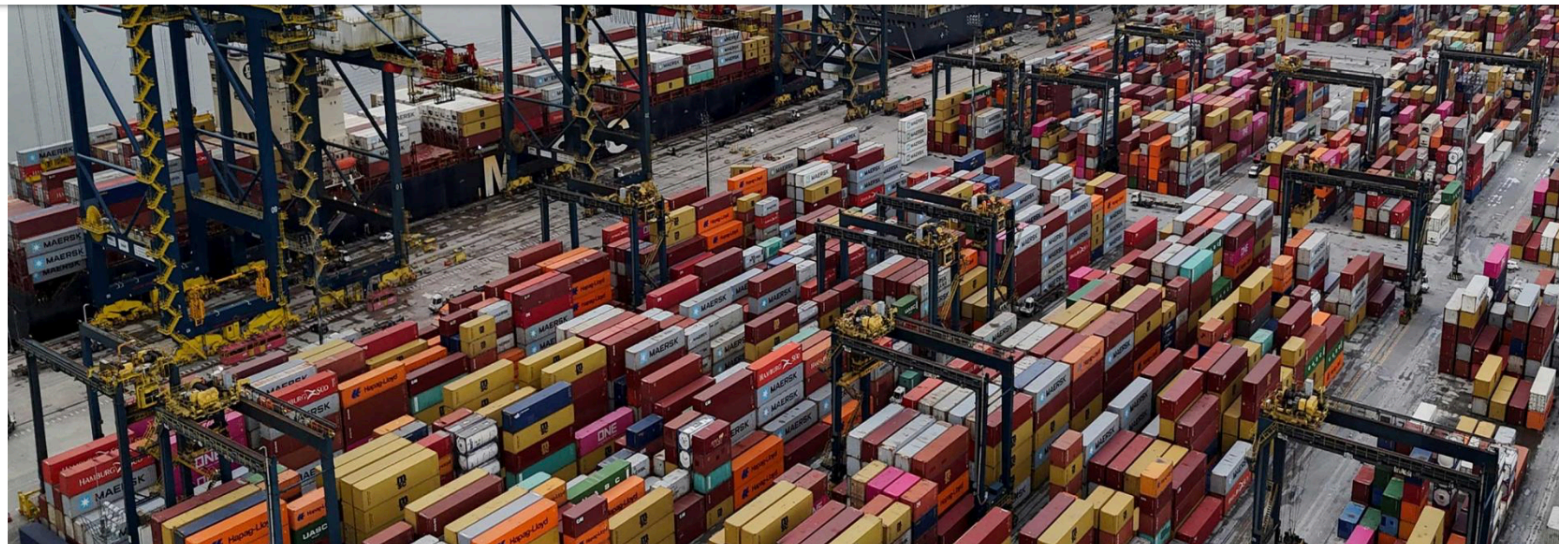
In 2024, the US reported a deficit with 15 countries with which it had a surplus the year before. Conversely, the US reported a trade surplus with 18 nations that ran a deficit the previous year, leaving Kenya, for example, with just the baseline 10 per cent.

For some countries, 2024 deviated heavily from longer-term trends. Namibia received a tariff rate of 21 per cent after recording its highest surplus in more than a decade in 2024, despite a deficit in three of the previous four years.

And spare a thought for the 5,819 inhabitants of St Pierre and Miquelon, who were briefly set to be hit with a 50 per cent tariff, according to initial figures released by the White House. That rate was based on a highly unusual 2024 for the semi-autonomous French overseas territory, which earned a trade surplus by returning a single \$3.4mn aircraft part to the US.

That high tariff rate had disappeared, however, by the time the White House issued its official executive order.

Os possíveis efeitos das tarifas aplicadas pelos EUA (16) [FONTE: PIIE, 4/04/2025]



REALTIME ECONOMICS

Trump's tariffs are designed for maximum damage—to America

Maurice Obstfeld (PIIE)

April 4, 2025 9:45 AM

Os possíveis efeitos das tarifas aplicadas pelos EUA (17) [FONTE: PIIE, 4/04/2025]

President Donald Trump touted his bewildering array of “Liberation Day” import tariffs as carefully calibrated to offset trade partners’ tariff, nontariff, and currency barriers to US exports. However, [details of the calculations](#) released by the office of the US Trade Representative (USTR) show that in reality, the tariffs’ effect will be to curtail US trade the most precisely where it provides America with the biggest benefits. The result will be a direct hit on US consumers and businesses. No wonder the stock market is swooning.

The tariff plan displays a basic misunderstanding of the reasons why nations trade in the first place—reasons that imply the United States will run deficits with some trade partners (bilateral deficits) and surpluses with others (bilateral surpluses). The reasons reflect the operation of comparative advantage. For example, the US imports aluminum from countries that can produce it most efficiently, while embodying it in exports where it has the advantage, such as aircraft. This will tend to lower US trade balances with efficient aluminum producers and raise them with aircraft importers. The same is true for households and businesses. I have a surplus with my [textbook](#) publisher, Pearson, because I am relatively better at writing textbooks while they are better at publishing and distributing. But I chose to have a deficit this year with my ophthalmic surgeon rather than trying to remove my cataracts myself.

Os possíveis efeitos das tarifas aplicadas pelos EUA (18) [FONTE: Reuters, 6/04/2025]

Over 50 nations want to start trade talks with US after tariffs, Trump officials say



U.S. President Donald Trump holds a "Foreign Trade Barriers" document as he delivers remarks on tariffs in the Rose Garden at the White House in Washington, D.C., U.S., April 2, 2025.

REUTERS/Carlos Barria/File Photo [Purchase Licensing Rights](#)

WASHINGTON/TAIPEI/VERONA, Italy, April 6 (Reuters) - More than 50 nations have reached out to the White House to begin trade talks since U.S. President Donald Trump rolled out sweeping new tariffs, top officials said on Sunday as they defended [levies](#) that [wiped out](#) nearly \$6 trillion in value from U.S. stocks last week and downplayed economic fallout.

Os possíveis efeitos das tarifas aplicadas pelos EUA (19) [FONTE: Reuters, 6/04/2025]

Treasury Secretary Scott Bessent said more than 50 nations had started negotiations with the U.S. since last Wednesday's announcement, putting Trump in a position of power.

Neither Bessent nor the other officials named the countries or offered details about the talks. But simultaneously negotiating with multiple countries could pose a logistical challenge for the Trump administration and prolong economic uncertainty.



Os possíveis efeitos das tarifas aplicadas pelos EUA (20) [FONTE: Reuters, 6/04/2025]

Trump jolted economies around the world after he announced broad tariffs on U.S. imports, triggering retaliatory levies from China and sparking fears of a global trade war and recession.

JPMorgan economists now estimate the tariffs will result in full-year U.S. gross domestic product declining by 0.3%, down from an earlier estimate of 1.3% growth, and that the unemployment rate will climb to 5.3% from 4.2% now.

As investors girded for the opening of stock markets in Asia, the Republican president spent the weekend in Florida, playing golf and posting a video of his swing to social media on Sunday.

TARIFF DEALMAKING

U.S. customs agents [began collecting](#) Trump's unilateral 10% tariff on all imports from many countries on Saturday. Higher "reciprocal" tariff rates of 11% to 50% on individual countries are due to take effect on Wednesday at 12:01 a.m. EDT (4:01 a.m. GMT).

Some nations have already signaled a willingness to engage with the U.S. to avoid the duties.

Taiwan's President Lai Ching-te on Sunday [offered zero tariffs](#) as the basis for talks with the U.S., pledging to remove trade barriers and saying Taiwanese companies will raise their U.S. investments.

Os possíveis efeitos das tarifas aplicadas pelos EUA (21)

[FONTE: Greg Perry / Calgary Herald, 10/02/2025]

Forrest
Trump



Sugestões de leitura

