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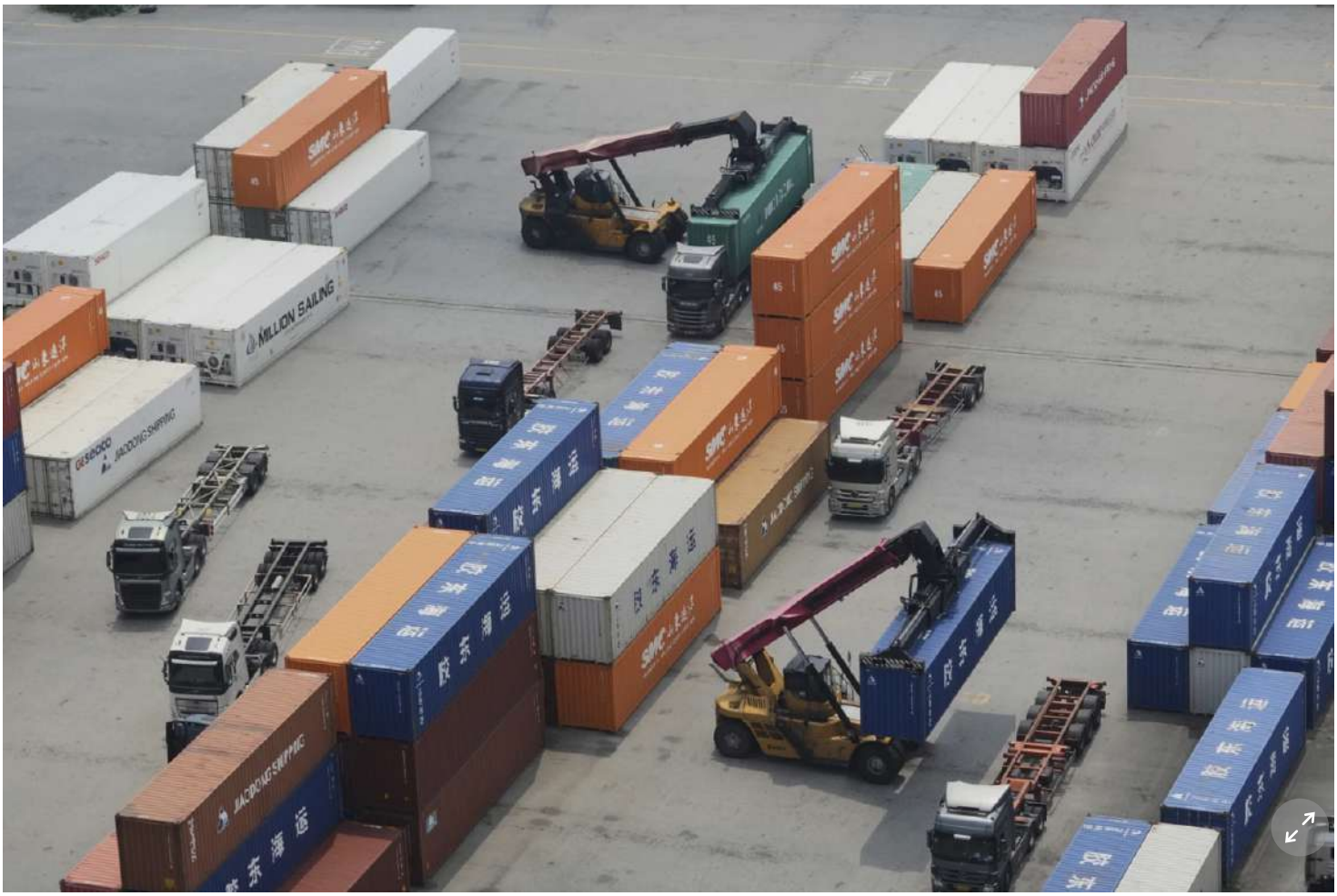
Trump's sudden shifts make his policies baffling to countries trying to negotiate lower tariffs



1 of 4 | Cranes and shipping containers are seen at a port in Pyeongtaek, South Korea, Tuesday, July 8, 2025. (AP Photo/Ahn Young-joon)

BY PAUL WISEMAN

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WASHINGTON (AP) — In the past week, President Donald Trump has managed to make his erratic trade policies even more baffling to countries desperate to negotiate an escape from his wrath.

Doubling down on his trade wars, Trump is threatening to raise taxes on many goods from Canada, hike his universal tariff on imports from around the world and punish Brazil for prosecuting his friend, the country's former president.

On Saturday, Trump announced more tariffs still, this time on two of the United States' biggest trade partners: the European Union and Mexico, at 30% each.

Former U.S. trade negotiator Wendy Cutler said that Trump's recent moves "underscore the growing unpredictability, incoherence and assertiveness'' of his trade policies.

"It's hard for trading partners to know where they stand with Trump on any given day and what more may be coming their way when least expected,'' said Cutler, now vice president at the Asia Society Policy Institute.

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On Thursday, the president escalated a conflict he started with America's second-biggest trading partner and longstanding ally, raising the tariff -- effectively a tax — on many Canadian imports to 35% effective Aug. 1.

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mainly because he didn't like the way it was treating former Brazilian president Jair Bolsonaro, who is facing trial for trying to overturn his electoral defeat in 2022.

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In his letter to current Brazilian President Luiz Inácio Lula da Silva, Trump also incorrectly claimed that Brazilian trade barriers had caused "unsustainable Trade Deficits against the United States.'' In fact, U.S. exports to Brazil have exceeded imports for 18 straight years, including a $29 billion surplus last year.

For some, Trump's action against Brazil indicates he's trying to exert influence over more than trade.

"Trump seems to view tariffs as an instrument to influence not just other countries' trade and economic policies but even their domestic legal and political matters," said Eswar Prasad, professor of trade policy at Cornell University.

Trump's faith in the economic superpowers of tariffs is unshaken even though they so far have proven largely ineffective in bullying other countries to cut deals.

On April 2, Trump announced the 10% baseline tariffs and larger "reciprocal'' tariffs – up to 50% -- on dozens of countries with which the United States runs trade deficits. But responding to a rout in global financial markets, he quickly suspended the reciprocal tariffs for 90 days to give countries a chance to negotiate.

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The administration promised “90 deals in 90 days’’ but got only two – with the United Kingdom and Vietnam -- before the deadline ran out Wednesday.

Rather than reinstituting the reciprocal tariffs, Trump sent letters to 23 countries saying he’ll impose levies ranging from 20% on the Philippines to the 50% on Brazil Aug. 1 if they couldn’t reach an agreement.

Chad Bown, senior fellow at the Peterson Institute for International Economics, was not surprised that Trump needed more time to press U.S. trading partners to do more to open their markets to U.S. exports — though another three weeks is unlikely to be enough time to reach substantive agreements.

“For each of these countries, they have their own domestic challenges about what they can and can’t offer,’’ he said. “There’s a reason why that market access hasn’t been granted before … they have domestic political constituencies that argue to keep protection in place. And those just aren’t problems that can easily be solved in a matter of weeks.’’

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Malaysia, for instance, has “specific red lines’’ it will not cross, Trade Minister Zafrul Aziz said Wednesday, including U.S. demands involving government contracts, halal certification, medical standards and a digital tax.

But Malaysia has pledged to buy 30 Boeing planes and offered other concessions involving semiconductors and technology. “It has to be fair,” he said. “If the deal does not benefit Malaysia, we should not have a deal.’’

Still, the United States’ $30 trillion economy and free-spending consumers give Trump considerable leverage, especially over countries that depend on trade. “These countries need the United States,’’ said Matthew Goodman, director of the Council on Foreign Relations’ Center for Geoeconomic Studies. “They need our market.’’

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Thailand, facing the threat of a 36% Trump tariff Aug. 1, is continuing to push for a deal and has offered to open its market to more U.S. farm, energy and industrial products.

Trump said Vietnam gave U.S. companies duty-free access to its market while agreeing to a 20% U.S. tariff on its exports — though details of the deal have not been released. “The Vietnam deal was fantastic,'' Stephen Miran, chair of Trump’s Council of Economic Advisers, crowed last Sunday on ABC News’ “This Week with George Stephanopoulos.'' “It’s extremely one-sided.''

Other countries “can’t afford to walk away,'' said Goodman, former director for international economics on the National Security Council. “But they’re going to be increasingly unhappy and resistant to the most over-the-top requests.''

Sometimes there’s a backlash against U.S. bullying. Carney’s Liberal party, for example, won a come-from-behind election victory in April because he stood up to Trump’s pressure.

And countries are beginning to look for alternatives to economic reliance on the United States. Canada is negotiating a trade pact with Southeast Asian countries, some of which are also moving closer to China.

Foreign governments might also simply hope to outlast Trump, who has shown a willingness to declare victory after signing “framework'' agreements such as one with China that leave the toughest issues for future negotiations.

“For Trump, the squeeze is more important than the juice,” said William Reinsch, a former U.S. trade official now at the Center of Strategic and International Studies. “What’s important to him is winning – the public, visible appearance of winning. And what he wins is less important.

“So the trick for these countries becomes: ‘How do we let him win in a way that allows us to make the least damaging concessions?’”

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Eileen Ng in Kuala Lumpur, Malaysia, contributed to this story.