



GLOBAL TRADE ALERT!

U.S. TRADE WAR ESCALATES WITH CANADA, CHINA, AND MEXICO

4th March 2025

Key Takeaways:

- **New U.S. Tariffs:** 25% tariffs on imports from Canada and Mexico, 20% on Chinese goods.
- **Retaliation:** Canada imposes 25% tariffs on \$20.7 billion worth of U.S. goods; China announces counter-tariffs and export restrictions.
- **Economic Impact:** Price hikes on consumer goods, increased costs for U.S. businesses, and potential job losses.
- **Market Reaction:** U.S. stock markets drop significantly; fears of a recession rise.
- **Supply Chain Disruptions:** Automobiles, electronics, and agricultural exports face major disruptions.

INTRODUCTION

The United States has imposed a 25% tariff on imports from Canada and Mexico, along with a doubling of duties on Chinese goods to 20%. This decision by President Donald Trump has ignited retaliatory actions from all three countries, further straining global trade relations.

IMMEDIATE CONSEQUENCES

Canadian and Mexican Retaliation

- Canada has imposed tariffs on U.S. exports, including orange juice, peanut butter, alcohol, coffee, and apparel.
- Mexico has announced forthcoming countermeasures, which are expected to target U.S. agricultural products and industrial goods.

China's Response

- China has placed additional tariffs of 10%-15% on U.S. agricultural imports such as meats, grains, cotton, and dairy.
- China has also introduced export restrictions on U.S. firms, particularly in the technology sector.

ECONOMIC & BUSINESS IMPACT

Rising Prices and Inflation

- The increased tariffs are expected to drive up food prices, fuel costs, and automobile prices.
- Retailers like Best Buy and Target have already indicated that prices will rise as a result of these measures.

Impact on Trade and Supply Chains

- North America's highly integrated supply chains in automobiles, energy, and electronics will face serious disruptions.
- Car manufacturers are particularly vulnerable, with potential price hikes of up to \$12,000 per vehicle due to tariff burdens.

Market Reaction

- The S&P 500 and Dow Jones indices fell sharply following the announcement.
- The U.S. Federal Reserve warns of a potential GDP contraction of 2.8% in Q1 due to trade disruptions.

Political and Global Trade Implications

- The European Union has condemned the move, warning of a potential escalation in global trade tensions.
- Business leaders have urged the U.S. administration to reconsider the tariffs to avoid job losses and economic instability.

ADAMftd: A Solution for Trade Transparency & Compliance

In times of heightened trade tensions, businesses need real-time trade data, compliance tools, and risk mitigation strategies. ADAMftd offers key features to help businesses navigate these challenges:

Key Features:

- **Global Trade Data:** Access real-time import/export data from multiple countries.
- **Sanctions & Compliance Monitoring:** Identify restricted or high-risk entities before engaging in trade.
- **Automated Trade Analysis:** AI-driven insights on market trends and supply chain risks.
- **Customs & Tariff Database:** Up-to-date tariff rates to assess cost implications.

In a rapidly shifting trade landscape, ADAMftd is the tool businesses need to stay informed and compliant.

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ITC Website: www.tradecouncil.org

Supply Chain News: www.supplychainreport.org

Business Confidence Survey: www.businessconfidence.org

ADAMftd Global Trade Data: www.adamftd.com

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