Sujet traité : Les effets que pourraient avoir les tarifs de Trump sur l'économie et le commerce américains / How Trump's tariffs could affect U.S. economy and trade

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How Trump's tariffs could affect U.S. economy and trade

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Former president Donald Trump greets the crowd at a campaign rally in Prescott, Ariz., on Sunday. (Jabin Botsford/The Washington Post)

By Jeff Stein
and
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Former president Donald Trump is campaigning on the most significant increase in tariffs in close to a century, preparing an attack on the international trade order that would likely raise prices, hurt the stock market and spark economic feuds with much of the world.

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Trump's trade plans, a staple of his stump speeches, have fluctuated, but he consistently calls for steep duties to discourage imports and promote domestic production. The former president has floated "automatic" tariffs of 10 percent to 20 percent on every U.S. trading partner, 60 percent levies on goods from China, and rates as high as 100, 200 or even 1,000 percent in other circumstances.

These proposals would go far beyond the disruptive trade wars of his first term even if they are only partially implemented. They would wrench the nation out of the system of global interdependence that arose in recent decades, making the U.S. economy much more isolated and autonomous, like it was in the late 19th century. (Trump last week falsely claimed that the United States was never richer than in the 1890s, when it had high trade barriers.)

"To me, the most beautiful word in the dictionary is tariff. And it's my favorite," Trump said in Chicago on Tuesday. "I'm a believer in tariffs."

The consequences would be far-reaching: Americans would be hit by higher prices for grocery staples from abroad, such as fruit, vegetables and coffee. Domestic firms dependent on imports would need to either figure out new supply chains or raise costs for consumers. U.S. manufacturers would almost certainly see sharp declines in orders from abroad as foreign nations impose retaliatory tariffs.

A worker picks the leaves out of a bunch of harvested coffee beans at the Ponto Alegre estate farm in Cabo Verde, Brazil. (Dado Galdieri/Bloomberg News)

"We are talking about a plan of historic significance: It would be enormous, and the blowback would be even more enormous," said Douglas A. Irwin, an economist at Dartmouth College who authored a 2017 book on the history of U.S. trade policy. "This would stand way off the charts."

Companies and governments around the world have begun preparing contingency plans for the potential Trump tariffs. Diplomats and business leaders from Latin America, Europe, Asia and even Canada have in recent weeks asked their U.S. counterparts about Trump's intentions and authorities, according to interviews with several domestic and international economic advisers, some of whom spoke on the condition of anonymity to reflect private planning.

While some business leaders and congressional Republicans remain optimistic that the former president is engaged in election-year posturing, Trump has repeatedly insisted that tariffs represent an unmitigated positive for the U.S. economy, recently calling them "the greatest thing ever invented." Tariffs have been a constant bedrock of his economic agenda since he first ran in 2016, along with lower taxes, increased energy production and deregulation.

Trump says his plan would force other countries to back off what he has claimed are abusive trade practices. And while high tariffs could force many firms to move jobs and production to the United States to access the world's largest market, doing so would come at a high, disruptive cost.

"The world economies are now so interwoven with each other — to rip and pull that apart would be incredibly disruptive to the U.S.," Irwin said. "It would really ripple through the economy in ways that are very hard to predict."

Brian Hughes, a Trump campaign senior adviser, dismissed the nonpartisan and Wall Street assessments of the tariffs' likely effects.

"Just like 2016, Wall Street and so-called expert forecasts said that Trump policies would result in lower growth and higher inflation, the media took these forecasts at face value, and the record was never corrected when actual growth and job gains widely outperformed these opinions," Hughes said in a statement. "These Wall Street elites would be wise to review the record and acknowledge the shortcomings of their past work if they'd like their new forecasts to be seen as credible."

'We're not talking about caviar'

Trump and his running mate, Sen. JD Vance (Ohio), have defended higher tariffs as good for the working class, arguing they will bring back jobs to the United States that had moved abroad.

Trump's plan would automatically apply a minimum tariff rate on imports from every country that trades with the United States, known as a universal tariff. The Coalition for a Prosperous America, which supports higher tariffs, has projected that a 10 percent universal tariff would generate 3 million additional jobs and lead to a surge in U.S. manufacturing output. It would also bring in trillions in revenue to the federal coffers. Even as the economy overall has grown, U.S. manufacturing has dramatically declined since the 1950s as a share of the workforce. Trump has said tariffs will bring those kinds of jobs back to the United States.

On Tuesday, however, Trump said that 10 percent tariffs would be insufficient for bringing jobs back and that the rate would have to be closer to 50 percent.

"When they have to pay tariffs to come in, but they have incentive to build here, they're going to come roaring back," Trump said in Georgia last month.

More than half of registered voters said they would be more likely to back a candidate who supported imposing both a 10 percent tariff on all imports and a 60 percent tariff on imports from China, according to a mid-September Reuters-Ipsos poll. Republicans were more than twice as likely as Democrats to support higher tariffs, but 56 percent of independents also endorsed Trump's plan.

However, the most immediate impact of Trump's plans might be to raise costs for U.S. consumers, in a way likely to prove particularly painful for low-income Americans.

During his first term, Trump imposed tariffs on roughly $360 billion in Chinese imports, as well as on steel and aluminum imports, washing machines and solar panels. The Biden administration has largely maintained those policies, but Trump is now eyeing a more than ninefold increase in the volume of affected imports, which economists say would lead to widespread price hikes.

The U.S. imports more than $1 trillion worth of goods annually used directly by consumers: inexpensive electronics from China; food from Latin America and Canada; pharmaceuticals produced in India and Mexico. Tariffs of 20 percent on all imports could amount to a more than $4 trillion tax hike over the next decade, according to the Committee for a Responsible Federal Budget, a nonpartisan think tank. (Trump has insisted that tariffs raise costs only for foreign nations, though economists say the duties, usually paid by importers to the government, are typically passed on to consumers in the form of higher prices.)

Gas prices would increase by as much as 75 cents per gallon in the Midwest, where most refined products come from Canada, according to Patrick De Haan, an analyst at GasBuddy. Overall, the Peterson Institute for International Economics said Trump's tariffs would cost the typical household $2,600 per year; the Yale Budget Lab said in an estimate released Wednesday that the annual cost could be as high as $7,600 for a typical household. As a

share of their income, the poorest Americans would pay 6 percent more with 20 percent tariffs, compared with 1.4 percent more for the richest 1 percent, according to the Institute on Taxation and Economic Policy, a left-leaning think tank.
"We're not talking about caviar — these are things that people have to buy. They're essentials," said Neil Saunders, a managing director at the analytics company GlobalData.

Economists say it would take several painful years for alternative domestic producers to emerge for many goods. For instance, almost all shoes and 90 percent of tomatoes sold in the country are imported, according to the Peterson Institute. And the United States does not even have the climate necessary to produce many food items — such as coffee, bananas, avocados, to say nothing of Chilean sea bass — at the necessary scale to meet domestic demand, said Joseph Politano, an economic analyst who has written on the subject on his Substack.

'Higher interest rates, slower growth, higher inflation'

Trump's tariffs would also reverberate through Wall Street and global markets, inviting turmoil that would affect investors and companies worldwide. Those effects would probably be felt quickly.

During Trump's first term, stocks fell on nine of 11 days in 2018 and 2019 that the United States or China announced new tariffs, according to a study this year by economists with the Federal Reserve and Columbia University. Comprehensive tariffs would cause a swift one-time jump in prices before reducing economic growth about six months later, according to economist David Page, head of macro research for AXA Investment Managers in London.

Many analysts are hopeful that a stock market panic would dissuade or prevent Trump from carrying out his plans. The investment bank UBS projected that a 10 percent universal tariff could lead to a 10 percent contraction in the stock market. U.S. multinationals are heavily dependent on foreign subsidiaries, and retailers, auto manufacturers and other industrial sectors would be hit the hardest, according to UBS. Chris McNally, an analyst at Evercore, said Trump's 10 percent tariff plan could cause a more than 20 percent decline in General Motors' earnings, with slightly smaller declines for Ford and Stellantis.

Stephen Miran, who served in the Treasury Department during Trump's administration, said he expects Trump to gradually phase in the tariffs, mitigating any stock market volatility. Miran echoed Trump's comments that dozens of countries have higher import tariffs on the United States than it has on those countries — and sees the former president's proposals as a first step toward fairer trade agreements.

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But other nations may not agree to more U.S.-friendly trade deals. And if that happens, the new tariffs would depress global merchandise trade and disrupt the corresponding financial flows among the United States, China and Europe, experts say.

As the United States bought fewer goods from China and Europe, they, in turn, could buy fewer Treasury bonds. That would cause yields to increase on long-term U.S. government debt; American consumers would feel the impact with higher mortgage rates.

Trump has spoken of finding ways to lower the value of the dollar to make U.S. exports more attractive to foreign customers. But global tariffs would undermine that goal, pushing the dollar higher. In 2018, as Trump implemented the first several rounds of tariff hikes, the dollar rose more than 10 percent against the Chinese yuan.

"We'd be facing higher interest rates, slower growth, higher inflation — that stagflation scenario that people talk about," said Marc Chandler, managing director of Bannockburn Global Forex, referring to a combination of high inflation and anemic growth.

'Every capital around the world' may respond

Trump and his advisers express confidence that tariffs can be an effective tool to cajole other countries into complying with his demands. But many may respond by imposing trade restrictions of their own on U.S. exports.

During Trump's first term, the European Union imposed retaliatory tariffs on everything from U.S. corn to Harley-Davidson motorcycles. China reduced purchases of food products made in the Midwest, leading the Trump administration to approve a $30 billion bailout for farmers. That preceded a China-U.S. trade deal, but there is no guarantee a similar resolution could be reached again.

While the discussions are preliminary, officials in Canada, the European Union, China, India and elsewhere are already working through options to respond to another potential Trump trade war. The retaliation could be harsher this time: Canada, for instance, could cut off access to lumber, aluminum and steel. Boeing aircraft and U.S. vehicle exports could be threatened. Some analysts believe China could devastate U.S. farming exports.

"They're thinking through their leverage points, and I'm sure every capital around the world is doing the same," said one person in touch with senior Canadian officials preparing potential responses, speaking on the condition of anonymity to discuss private conversations.

A new universal tariff would violate U.S. commitments to the World Trading Organization. Other nations would almost certainly file WTO complaints. But experts said trade partners would not wait for that cumbersome judicial process, which can take years to yield a conclusion.

"Day one, if there's a 10 percent tariff put in place, day two, there's going to be retaliatory tariffs from all of our trading partners," said John Veroneau, a trade attorney with Covington & Burling, who served as deputy U.S. trade representative under President George W. Bush.