

## Trump's tariffs Ignite trade tensions as Canada, Mexico, and China Vow retaliation



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Canada, Mexico, and China have pledged to counter new US tariffs imposed by former President Donald Trump, marking the beginning of potential trade conflicts. Trump announced a 25% tariff on Canadian and Mexican imports, alongside a 10% levy on Chinese goods, set to take effect Tuesday. Canadian energy imports will face a reduced 10% tariff.

Trump cited national security concerns, including illegal immigration and drug trafficking, as justification for the tariffs. In response, Canada and Mexico announced reciprocal measures, while China warned of “necessary countermeasures to defend its legitimate rights and interests.” Economic experts caution that the tariffs and retaliatory measures could disrupt global trade, potentially increasing prices on goods such as cars, lumber, steel, and food. Consumer costs may rise if businesses transfer higher import expenses to customers. US industry groups, including manufacturers and retailers, have voiced concerns over the economic impact.

In a statement on social media, Trump defended the move, citing the International Emergency Economic Powers Act (IEEPA). He attributed the decision to the “flood of poisonous drugs” entering the US, including fentanyl, and called for stronger border security.

Mexican President Claudia Sheinbaum rejected allegations of government ties to drug cartels and emphasized diplomatic engagement over economic penalties. Mexico is preparing 25% retaliatory tariffs on US imports. Canadian Prime Minister Justin Trudeau condemned the move, announcing tariffs on \$106.6 billion worth of US goods, including alcohol, household appliances, and sporting goods. He also suggested non-tariff measures targeting critical minerals and procurement.

China, the primary target of previous US trade measures, expressed strong opposition but has yet

to specify retaliatory steps. The latest 10% tariff adds to existing trade barriers set by both Trump and President Joe Biden.

The tariffs threaten deeply integrated North American supply chains, particularly in the auto industry, where cross-border components could face higher costs. Experts warn of price hikes, with estimates suggesting US car prices could rise by \$3,000.

With trade tensions escalating, observers predict further negotiations may be necessary to prevent broader economic fallout.