

Trump suspends tariffs on Canada, Mexico amid market turmoil



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President Donald Trump has abruptly suspended many tariffs on imports from Canada and Mexico, reversing his sweeping trade action just two days after imposing them. The decision, announced Thursday, aims to ease concerns among investors and businesses reliant on trade with America's neighbors.

The suspension applies to products traded under the U.S.-Mexico-Canada Agreement (USMCA),

the trade pact Trump signed in his first term. His initial tariffs—set at 25%—were intended to curb drug trafficking and illegal immigration, but they faced strong opposition from industries and markets.

The move follows Trump's earlier announcement granting a 30-day reprieve to automakers, who warned the tariffs could severely impact U.S. car manufacturers. However, Trump signaled that additional tariffs on Canadian and Mexican goods are still planned for April.

The uncertainty surrounding Trump's shifting trade policies has rattled financial markets. The S&P 500 dropped 1.8% on Thursday, bringing its weekly decline to 3.6%—its worst performance since a banking crisis two years ago. Meanwhile, Canada retaliated with \$20.5 billion in tariffs on American goods, and Mexico had threatened similar measures.

Despite suspending tariffs on Canada and Mexico, Trump has maintained his hard stance on China, imposing a second round of 10% tariffs on all Chinese imports. Beijing has responded with countermeasures against U.S. goods, escalating tensions further.

Speaking at the White House, Trump insisted his decision was not influenced by market fluctuations. "I'm not even looking at the market," he said, asserting the U.S. would benefit long-term. He emphasized strong relations with Mexican President Claudia Sheinbaum, who welcomed the move, highlighting ongoing cooperation on border security and drug control.

While the tariff suspension provides temporary relief, uncertainty remains over Trump's next trade moves, keeping markets and businesses on edge.