
Trump ties Canada trade deal to Palestine recognition



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Washington, July 31 – US President Donald Trump has warned that Canada’s recent decision to recognise a Palestinian state could seriously impact trade negotiations between the two countries.

In a post shared Thursday on his social media platform, Trump said, “Wow! Canada has just announced that it is backing statehood for Palestine. That will make it very hard for us to make a Trade Deal with them. Oh, Canada!!!”

This is the latest example of Trump linking trade policy with foreign affairs. He has previously warned allies that political decisions on issues like Gaza or Ukraine may carry trade consequences.

Canada's Prime Minister, Mark Carney, confirmed the recognition of a Palestinian state on Wednesday, joining a growing list of countries expressing frustration with Israel's ongoing actions in Gaza. So far, the Canadian government has made no comment in response to Trump's warning.

Trump has set a deadline for Friday to finalise trade agreements with several countries, including Canada. If no deal is reached, he has threatened to impose a 35% tariff on Canadian goods. Some Canadian exports remain protected under the United States-Mexico-Canada Agreement (USMCA), but that agreement is due for review next year.

While Trump said he didn't object to similar positions taken by Britain or France, he has been particularly vocal about Canada, even joking in the past that it should become America's "51st state."

The situation adds pressure to already tense trade talks and could have broader diplomatic consequences, as countries weigh domestic decisions against the threat of US economic retaliation.

With the deadline fast approaching, all eyes are now on whether Canada will hold firm or seek

compromise to protect its trade ties with its largest trading partner.