China, Canada and Mexico vow swift response to Trump tariffs



Canada, Mexico and China have vowed to respond to sweeping new tariffs to their exports to the US announced by President Donald Trump

China, Canada and Mexico vow swift response to Trump tariffs
Canada, Mexico and China have vowed to respond to sweeping new tariffs to their exports to the US announced by President Donald Trump

LENS ASIA

Trump said a levy of 25% on Canadian and Mexican imports as well as an additional 10% tax on Chinese goods would come into force on Tuesday. Canadian energy faces a lower 10% tariff.

The US president said the move was in response to his concerns about illegal immigration and drug trafficking - two of the main promises on which he was elected.

In response, both Canada and Mexico said they were preparing similar tariffs on US goods, while China added it would take "necessary countermeasures to defend its legitimate rights and interests".The implementation of tariffs and the subsequent retaliation could mark the start of a new era of global trade wars.

Economists have warned the introduction of the import taxes by the US, and the responses from other countries could lead to prices rising on a wide range of products, from cars, lumber, and steel to food and alcohol.

But Trump has indicated he is ready to escalate the duties further if the countries retaliate.

"Today's tariff announcement is necessary to hold China, Mexico, and Canada accountable for their promises to halt the flood of poisonous drugs into the United States," the White House said in a statement on X on Saturday.

Trump posted on his Truth Social platform: "This was done through the International Emergency Economic Powers Act (IEEPA) because of the major threat of illegal aliens and deadly drugs killing our Citizens, including fentanyl."A tariff is a domestic tax levied on goods as they enter the country, proportional to the value of the import. They are a central part of Trump's economic vision.

He sees them as a way of growing the US economy, protecting jobs and raising tax revenue - and in this case, pushing for policy action from allies.

Together, China, Mexico and Canada accounted for more than 40% of imports into the US last year.

Canada, Mexico and the US have deeply integrated economies, with an estimated $2bn (£1.6bn) worth of manufactured goods crossing the borders daily.

In its announcement, the White House accused Mexico's government of having "an intolerable alliance" with Mexican drug trafficking organisations.

In her response, Mexican President Claudia Sheinbaum called allegations that the Mexican government had alliances with criminal organisations "slander".

Sheinbaum called on the US to do more to clamp down on the illegal flow of guns south to arm the cartels.

Her country is willing to work with the US, she said. "Problems are not resolved by imposing tariffs, but by talking."

She has instructed her economy minister to respond with tariff and non-tariff measures. They are expected to include retaliatory tariffs of 25% on US goods.

Canadian Prime Minister Justin Trudeau said his country will also respond.Auto parts cross the three borders multiple times before a final vehicle is assembled. TD Economics suggest the average US car price could increase by around $3,000.

A January report by the Peterson Institute for International Economics suggested blanket 25% tariffs on Canada and Mexico would

slow growth and accelerate inflation in all three countries.
On Friday, Trump acknowledged there could be "some temporary, short-term disruption" from the tariffs.
The Canadian Chamber of Commerce released a statement saying tariffs will have "immediate and direct consequences on Canadian and American livelihoods" and will "drastically increase the cost of everything for everyone".

LENS ASIA