Monthly Brief #85, April 2025– First Fortnightly

Trump's Tariffs and Global Repercussions

Greetings readers, and welcome to this first fortnightly of the April monthly brief. Given the significant global developments unfolding, particularly since April 2nd and the aftermath of Trump's tariffs etc, we will be covering this month in two parts.

The resurgence of protectionist rhetoric from Washington has sparked considerable disruption in global trade arrangements, with ripple effects across the globe. President Trump's second term has reignited fears of a fractured multilateral order, as new tariffs and threats of retaliatory measures dominate the headlines. The first few days of April alone witnessed a flurry of executive orders aimed at reshoring manufacturing and penalising strategic imports, particularly from China and Mexico.

Breaking down, on 2nd April, the Trump administration imposed a new wave of tariffs on US$80 bn worth of Chinese goods, prompting Beijing to threaten retaliatory action. By 5th April, the Dow Jones had dropped over 1,000 points amidst investor anxiety.

As we see, Trump's rhetoric turned increasingly combative, with multiple social media tirades targeting the World Trade Organisation, which he accused of bias against American interests. In diplomatic circles, unease grew as the US hinted at potential trade barriers against European car manufacturers, further escalating tensions.

Quite clearly, the world is heading towards an economic disaster. Coupled with harm due to climate change and biodiversity losses, and a reduction in humanitarian aid, the poor of the world will suffer acutely. Some highlights have been captured in this brief, and the next part will cover events from 16th to 30th April.

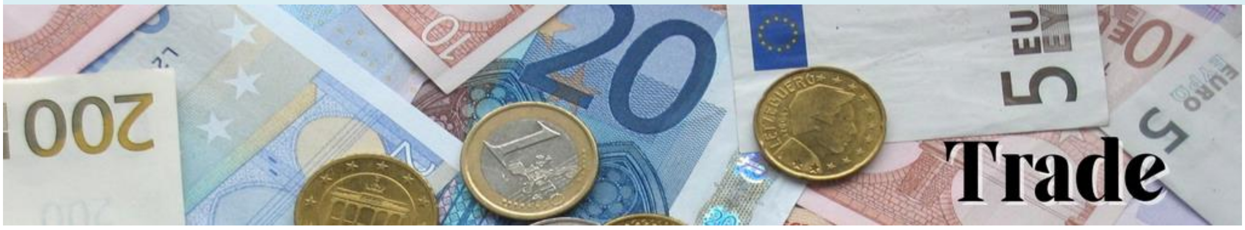
Pradeep S. Mehta
Editor

P.S.: As Africa takes its rightful place at the G20 table with the African Union now a permanent member, how can G20 economies ensure this partnership translates into genuine development gains, not just diplomatic symbolism?

Message for our Readers

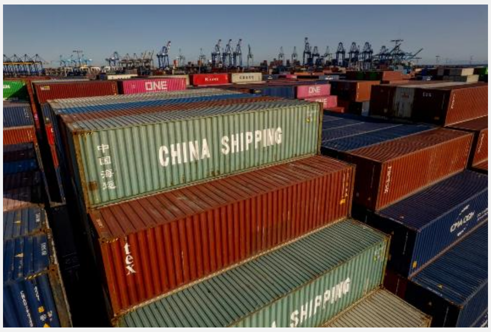
This is the eighty-fifth edition of the Monthly Brief from the Centre, which carries select published news or comments on a relevant issue. There are equally important issues which may have been missed out to keep the Monthly Brief short and swiftly readable.

Readers are encouraged to send their own views and suggestions at: cutsglobal@cuts.org



There's a thin line Between a Trade War and a Real War

The escalating US-China trade war, fuelled by Trump's erratic tactics and punitive tariffs, risks severe global economic fallout. Despite hopes of leveraging allies against Beijing, Trump's alienation of key partners undermines cooperation. With no clear endgame, the conflict could trigger inflation, recession, and geopolitical instability for both superpowers and beyond. (Paywall)



- Top ECB policymaker warns 'worst-case scenarios' are materialising

  Escrivá warned that tariffs imposed by Donald Trump were triggering a "very significant negative shock on economic activity". He suggested US policies could bring into question the dollar's status as a reserve currency and haven.

- Why did Donald Trump buckle?

  Donald Trump played chicken with the markets for a week. But by Wednesday, the multifront trade war he launched on the world on April 2 with much fanfare had become unsustainable economically, financially and politically for the US president.

- Investors lose $25bn in leveraged ETFs in sector's biggest meltdown

  Investors lost $25.7bn in leveraged exchange-traded funds late last week, in the biggest ever meltdown for risky funds that have drawn huge inflows in recent years from retail traders seeking quick returns.

- US-China trade snarls as world's biggest economies brace for divorce

  Chinese exporters scrambled to respond to crushing US tariffs by hiking prices, cancelling shipments and rerouting goods to other countries, as the world's two biggest economies brace for economic divorce.

- Trump administration threatens to end consultancy contracts after 'insulting' proposals

Donald Trump's administration is threatening to terminate hundreds of billions of dollars' worth of consulting contracts, after finding US firms' proposals for savings to be "insulting".

- Tariff situation should get sorted out in the short term: Salesforce CEO Marc Benioff

  The current tariff situation is expected to be resolved in the "relatively short term" as there is a lot of opportunity for everyone to operate on the global stage.

- Trump's Confusing and chaotic game of chicken

  His tariffs were meant to make other countries blink. But he himself blinked, twice. Only to promise another tariff yesterday. What now? Short answer: No one knows

- Deals Are the First Casualties of the Trade War | Bloomberg
- Donzilla crushes markets: Amid global carnage, D-Street caps fall at 3% | Economic Times
- AI, cloud companies among 50 China entities in US export blacklist | Economic Times
- Against US tariff hand, EU holds 'lot of cards' | Economic Times
- Trump Warned U.S. Automakers Not to Raise Prices in Response to Tariffs | The Wall Street Journal

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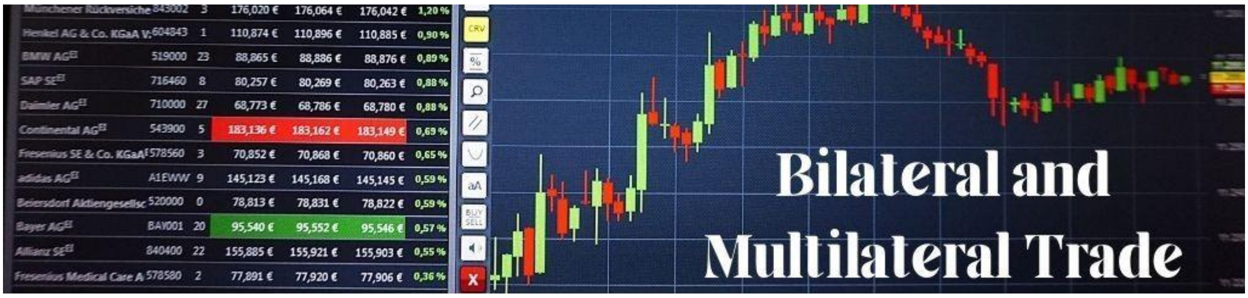
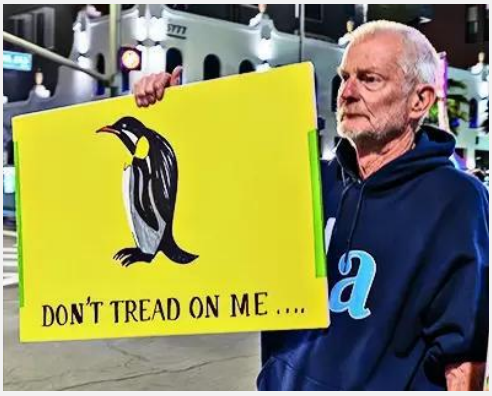


Don was dusted

Anyone expecting the Don to flow quietly for the next 90 days is plain tired. In 80-something days of his presidency, Trump's already imposed, raised, discounted and paused tariffs more times than you care to remember. Now that everyone, barring China, is tariffed at the 10% baseline, and markets have expressed hysterical relief – but US futures are showing signs of a sugar crash – we may ask, what was the point?



- Trump has more political room for tariff pain & market volatility than many reckon

  This past week, with the concession of a 90-day exemption, the tariff transactionalists won. It doesn't mean the tariff theologians have lost forever. Trump may never really choose, and could simply play off one against the other. He could use the unpredictability to keep trade interlocutors off-balance, and just get himself better deals, turning transactional when the offer incentivises him enough, and theological when it doesn't.

- Scott Bessent takes the lead as Trump advisers spar over tariffs

  The tensions between America and some of its allies in the wake of last week's "liberation day" tariff announcement would soon be eased. "I think you're going to see a couple of big trading partners do deals very quickly," he told reporters.

- Why China thinks it might win a trade war with Trump

  Although China has been pursuing technological self-reliance, it has largely rejected the notion of "decoupling", seeing it as a way for the West to punish China. Now, however, there is growing support for it.

- US to retaliate against international carbon levies on ships

  The US has threatened to retaliate against any international levy imposed on ships for their carbon emissions amid crunch talks to agree on such a measure this week.

- Bangladesh pledges US cotton purchases to save garment sector

  Bangladesh is hoping that a pledge to buy more US cotton will help persuade President Donald Trump to show leniency on its exports that threaten its vital garment sector.

- US tripling of small-package duties delivers further blow to Shein and Temu

  The US has tripled planned duties on low-value packages arriving from China, in a major blow to fast-growing ecommerce platforms Shein and Temu.

- Apple turns to India to help ease Trump's China tariffs

  Apple has increased the number of flights carrying consignments of iPhones from India to the US following Donald Trump's tariff blitz, as the tech giant grapples with one of the biggest threats to its business in years.

- US bike prices will rise 'up to 50%' as China trade war escalates

  US consumers are facing steep price increases on bicycles as US President Donald Trump's tariffs take a heavy toll on an industry that is heavily dependent on Chinese manufacturing.

- If Trump is trying to suppress China, he's going about it all wrong

  US President Donald Trump's catastrophic tariff war may inflict serious economic pain on China, but it could also ignite a technological surge - not by design, but by necessity.

- Turkey sees opportunity in tariff turmoil, finance minister says

  Turkey has a chance to outperform other emerging markets hit by Donald Trump's tariffs "once the dust settles", thanks to manageable US trade exposure and lower oil prices, the country's finance minister said.

- What Just Happened in the US Treasury Market

  U.S. President Donald Trump's decision to pause the hefty duties he had said he would impose on dozens of countries one week ago followed turmoil in financial markets that included an acute selloff in the US$29 tln Treasury market.

- Trump's tariffs will create more problems than they can solve

  America has many problems, including a disgraceful healthcare system with frankly terrible outcomes for a country so rich. Inequality is also high, which the Trump campaign capitalised on. But how are these policy measures going to get Americans better lives?

- Against US tariff hand, EU holds 'lot of cards' | Economic Times

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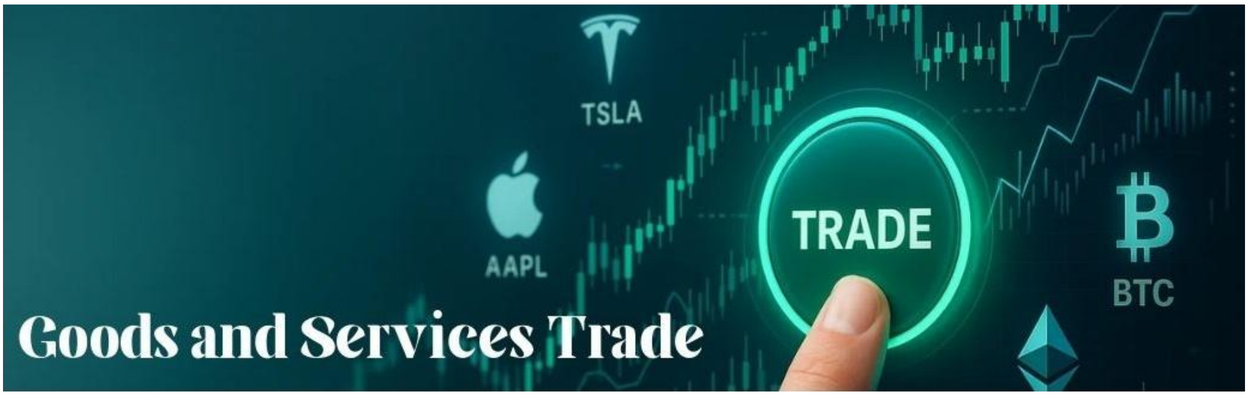
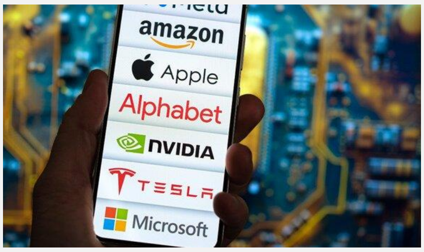


Silicon Valley stands to lose from a trade war

Hitting the 90-day pause button won't solve the underlying issues that created the crisis or prevent long-term damage.



- What does Trump's tariff pause mean for global trade?

  Donald Trump on Wednesday announced a 90-day pause to the sweeping tariffs he unleashed on all major US trading partners last week, triggering immediate relief on Wall Street.

- EU could tax Big Tech if Trump trade talks fail, says von der Leyen

  The EU is prepared to deploy its most powerful trade measures and may impose levies on US digital companies if negotiations with Donald Trump fail to end his tariff war against Europe.

- Trump's legal attacks threaten the very basis of sound investment

  President Donald Trump has launched another assault on a foundation of capitalism: the rule of law. If allowed to go unchecked, and if corporate leaders continue to stand in silence, Trump's efforts will scar business long past the next presidential election.

- Harvard professors sue Trump administration, allege funding cut violates free speech

  Two faculty organisations at Harvard University filed a lawsuit on Friday against the Trump administration, claiming it is violating constitutional rights by threatening to cut billions in federal funding.

- 'Meet us halfway': Dragon Blinks as Tariffs on Beijing Touch 125%

  China is reaching out to other nations in what appears to be an attempt to form a united front to compel Washington to retreat. Days into the effort, it's meeting only partial success with many countries unwilling to ally with the main target of Trump.

- Expats boosted Dubai's 70% property rally, now Trump's tariffs threaten to undo all gains

  Over the last four years, Dubai property prices have surged 70% and outperformed other major cities. That relentless boom now faces its biggest threat since the pandemic as US President Donald Trump's tariffs roil markets.

- Trumped by Treasuries, Not protest

  There is now a level of opposition in the US that the Trump administration doesn't seem to know how to respond to. Trump surrogates strained to defend his disastrous tariffs in the face of a cratering stock market.

- US tariffs cause car import pile-up at American ports

  Carmakers are holding thousands of vehicles at the US ports and temporarily halting shipments as they seek to minimise the fallout from President Donald Trump's intensifying trade war.

- It falls to Congress to unravel America's reckless tariffs

  Since President Donald Trump announced his massive tariffs, now subject to a 90-day pause, the stock market has experienced its biggest decline since the start of the pandemic.

- Stagflation is the best scenario a tariff-hit US can now expect

  The impact will be devastating. Over the next six months, annualised inflation will likely climb to nearly 5%, as tariffs boost import prices. Plus, domestic producers shielded from competition may raise their prices as well.

- China plays rare earth card as US, India dig deep

  Dysprosium and Neodymium sound like the names of couple of medications, perhaps cough syrups. In fact, they are two "Rare Earth" elements from group of 17 in the periodic table that are critical for a range of technologies from missiles to wind turbines to EVs, and they made a splash on Monday after China, which has a 90% hold on the field, suspended all exports.

- Pharma Cos May Feel Heat of US Tariffs on China

  India's drug industry may face the unintended fallout of a potential disruption to the global pharmaceutical supply chain due to lofty US tariffs on Chinese goods.

- How Trump's advisors got tied up in knots over his tariff obsession

  US President Donald Trump's economic team fiddled while his tariff announcements caused markets to melt down, arguing that there was a grand plan to re-order global trade for the benefit of Americans.

- Trump tariffs: The global bond market achieved what diplomacy couldn't | LiveMint

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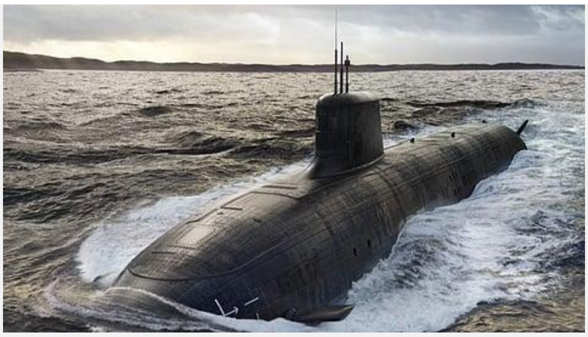
AUKUS nuclear submarine sale under scrutiny as Trump tariffs rattle Australia

Doubts over AUKUS submarine sales to Australia grow amid Trump-era tariffs, U.S. production delays, and concerns about Canberra's reluctance to confront China. Australia must pay US$2bln by 2025, yet political, strategic, and industrial hurdles raise uncertainty over the Virginia-class deal and long-term regional deterrence plans.



- Trump Wants NATO to Spend More. Europe Pitches Redefining Defense to Get There | The Wall Street Journal
- US allies in Asia must also rethink their defence | Financial Times
- Asian defence stocks soar to record highs as Europe prepares to re-arm | Financial Times
- Nearly 20 years after nuclear deal, DoE clears US firm to build & design reactors in India | Times of India

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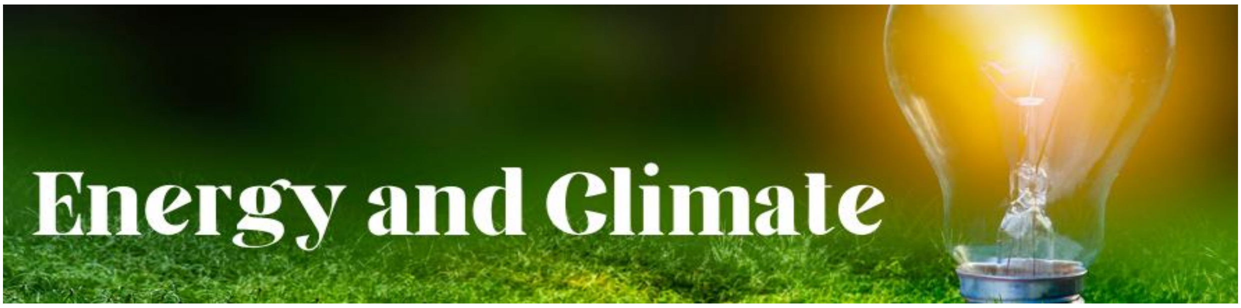

As global warming grows, Trump sees Greenland & the Arctic as realms of great power rivalry: Klaus Dodds

Greenland's critical minerals, strategic Arctic location, and emerging shipping routes are drawing US interest, driven by rivalry with China and Russia. Climate change is intensifying this focus. Meanwhile, Asian and Middle Eastern states are investing in the Russian Arctic, creating geopolitical divisions. Europe may counterbalance US ambitions diplomatically.

- US multinationals purge website references to climate change | Financial Times
- U.N. climate chief says two years to save the planet | Reuters
- Trump ‘chaos’ threatens US oil output, say shale executives | Financial Times
- The Trump regime is out of sync with the world on sustainability — Europe, India and China are committed to the clean energy transition | Economic Times

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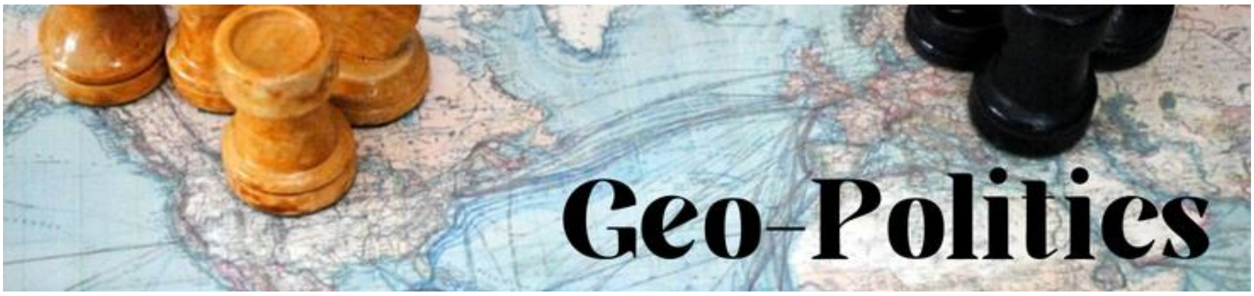
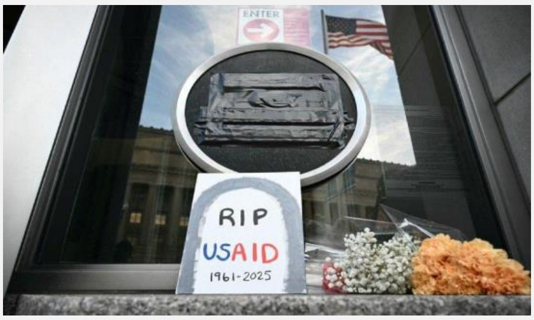


A 'death sentence for millions' as the US cuts more aid

Peter Marocco of the US State Department urged his team to confirm compliance with the President’s order to halt all payments to Afghanistan, including UN-related funds. He sought clarity on whether all financial support had ceased and suggested reclaiming any obligated UN payments if applicable.



- [Trump tries to fix the Iran nuclear deal he broke](#) | The Washington Post
- [Kremlin says it's working on Ukraine peace after Trump says he's 'pissed off' with Putin](#) | Reuters
- [It's the geopolitics, stupid! Weaponisation of commerce, started by Xi, comes full circle with Trump](#) | Economic Times
- [India may send envoy to Canada; Dinesh Patnaik being considered](#) | Economic Times

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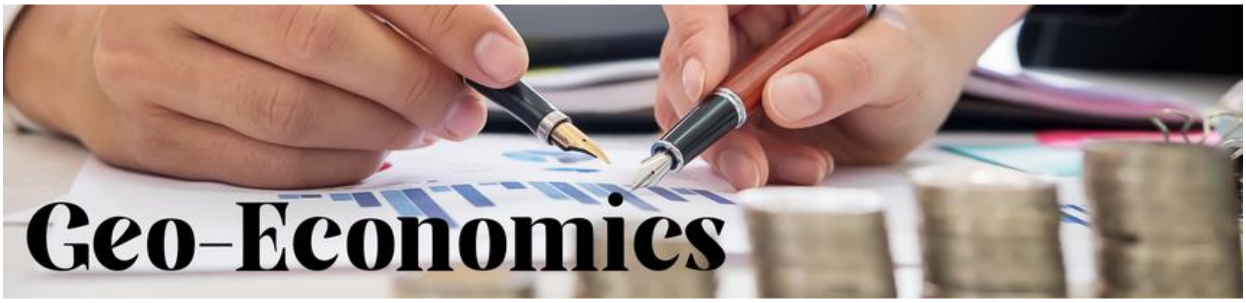

Navigating the Trump Storm

Trump's second term coincides with global shocks, slowing growth, and rapid technological change. His aggressive trade policies and tariffs risk isolating the US, damaging global trust, and fuelling uncertainty. While aiming to boost domestic manufacturing, the administration lacks clear strategies for managing inflation, global backlash, or AI-driven job disruptions.

- [China Has Already Trade-War-Proofed Its Economy](#) | Bloomberg
- [Made in America — or else: Trump's tariffs and the pressure on the C-suite](#) | The Washington Post
- [Muhammad Yunus meets Xi Jinping, gets China's backing for the government](#) | Times of India
- [Government debt costs in richest nations at highest since 2007](#) | The Guardian
- [Can tariffs bring back US auto's glorious past?](#) | LiveMint

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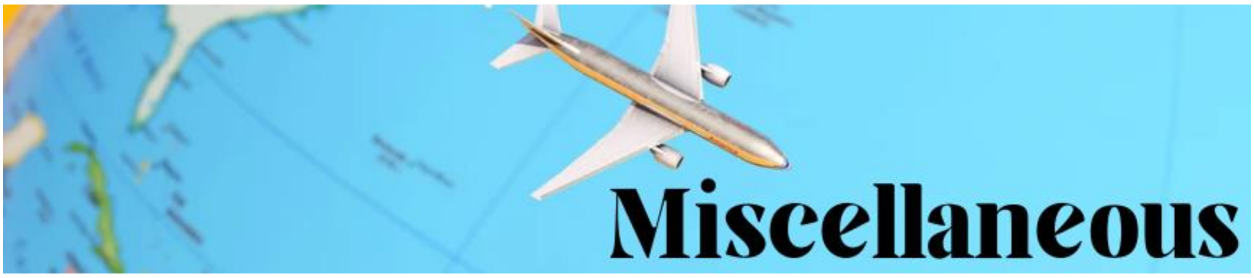

In post-US world, India can fill void in global leadership

American legal scholar Larry Kramer, now LSE President, noted that the U.S. withdrawal from global leadership has created a vacuum. He believes India is among the few nations capable of filling this gap. However, he warned of a likely interim period of instability as countries pursue self-interest without a hegemon.

- 2,400 attacks on minorities in Bangladesh last year: MEA | Economic Times

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Drones, Deals and Deep Reserves – Australia's Indo-Pacific Leverage