

# New Trump deadline

The world waits for more clarity on tariff diktats

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It was supposed to pan out like a deal a day starting the first week of April.

But some 90 days down the line, seeing barely a handful materialise, US President Donald Trump embarked on a three-pronged strategy.

He extended the deadline on tariffs to the beginning of August; the earlier one was set to expire on July 9.

He then slapped Asian allies, Japan and South Korea with a 25 per cent rate and warned others of a similar fate.

He also warned 'anti-American' nations of an additional 10 per cent tariff over the existing rates.

The first of the letters were sent to Japan and South Korea with another 12 countries expected to be recipients.

The steepest of tariffs are reserved for Laos and Myanmar whereas Malaysia, Kazakhstan and Tunisia join Japan and South Korea for the lowest slab of 25 per cent.

"Starting on August 1, 2025, we will charge Japan a tariff of only 25 per cent on any and all Japanese products sent to the United States, separate from all sectoral tariffs. Goods transhipped to evade a higher tariff will be subject to that higher tariffs", Trump said in his letter to Japan's Prime Minister Ishiba Shigeru.

The letter had a note of warning as well.

"If for any reason you decide to raise your tariffs, then, whatever the number you choose to raise them by will be added onto the 25% that we charge".

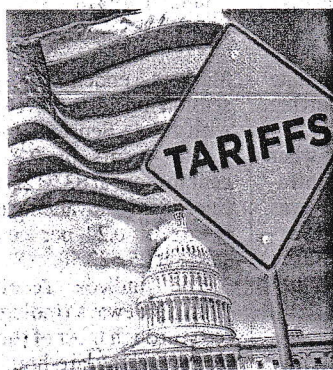
Perhaps the expectation is that the smaller export-reliant Asian nations will quickly fall in line and strike deals with Washington.

But it is a different story for nations like Japan and South Korea that will have to face massive impact on its automobile, electronics and steel industries.

## ASIAN ALLIES

What has rattled strategic thinkers and planners is that Japan and South Korea are two of US' closest Asian allies that are already facing heat from Washington over its defence spending budget and occasional lectures on "free loading" at the expense of the American tax payer.

The pressure on Tokyo and Seoul comes at a time when China is flexing its muscles in the Indo Pacific and nudging its surrogates like North Korea to make the necessary noises in the Korean



TRUMP. Tariff tribulation GETTY IMAGES

peninsula and the Sea of Japan.

From Liberation Day of April 2, the tariffs schedule has seen two deadlines, first of July 9 and now a three week postponement. Trump effectively sees tariffs as the only way to increase revenues, paring down the balance of trade and restoring the greatness of American manufacturing.

But allies in Europe and Asia have shown a reluctance to throw in their lot with Washington pointing to the difficulties to striking a deal only with one trading partner.

And a country like Japan is trying to impress on its need to preserve its cultural imperatives in negotiating agricultural imports like rice.

As it happened in the first few weeks of April, the American markets have not responded kindly to the latest letters and tariffs. The S&P 500 and the Nasdaq Composite each fell one per cent since the letters rolled out.

Senior officials of the Trump administration are hopeful of deals in the bag but are quite aware that as of now only Britain and Vietnam have come to terms, with China agreeing on certain sectors.

The deal with India appears to be hopeful but agricultural products seem to be the sticking point.

Coinciding with the meet of the BRICS in Brazil, Trump has threatened a flat 10 per cent tariff on any nation espousing an anti-American stance.

"Any country aligning themselves with the Anti-American policies of BRICS will be charged an ADDITIONAL 10% Tariff. There will be no exceptions to this policy."

"Thank you for your attention to this matter", Trump said in a social media post. The world waits for a clarification.

The writer is a senior journalist who has reported from Washington DC on North America and UN