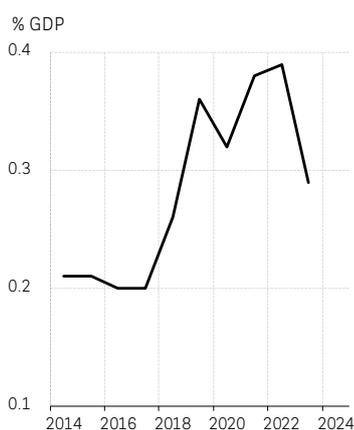


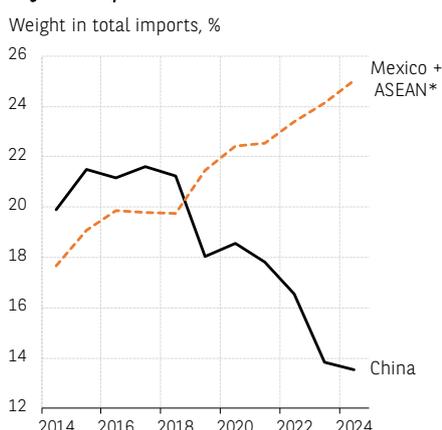
TARIFF WARS ARE STORIES THAT USUALLY END BADLY

UNITED STATES: TARIFFS AND DEPENDENCIES

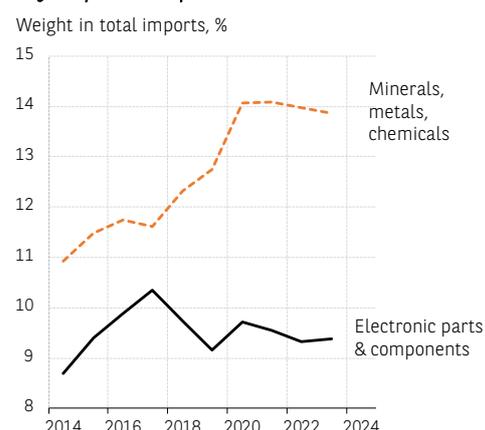
Customs duties



Key trade partners



Key imported inputs



(*) VIETNAM, INDONESIA, MALAYSIA, THAILAND, PHILIPPINES, CAMBODIA

SOURCE: IMF, CNUCED, BNP PARIBAS

In a 1933 article on national self-sufficiency¹, British economist John Maynard Keynes advised “those who seek to disembarass a country from its entanglements” to be “very slow and wary” and illustrated his point with the following image: “It should not be a matter of tearing up roots but of slowly training a plant to grow in a different direction”.

Nearly a century later, what are the precepts of the author of the General Theory worth? In the United States under Donald Trump, where the eviction of imported products by prohibitive customs duties is supposed to serve domestic production, it’s rather the uprooting technique that appeals. As for the results to be expected, they are quite debatable.

The first U.S. tariff offensive (in 2018) was aimed primarily at China, whose huge surpluses as much as its progress through the value chain (particularly in the electronic communications sector) worried Washington. As a result, American trade has adapted, leaving apparently less room for China but more for several “connector” countries (Mexico, Vietnam...) where Beijing has redeployed. In the end, the United States reduced neither its trade deficits, nor its dependence on key sectors (like chemicals, metallurgy or electronic components) as our graph and a recent study by CEPII (Centre d’études prospectives et d’informations internationales) show².

The second offensive, currently in full swing, will have no happier consequences. The US economy, although not very open to trade (exchanges of goods account for barely 10% of GDP), remains sensitive to the taxation of imports, given their low degree of substitutability. According to estimates by the IMF (International Monetary Fund)³, a tariff shock would depress exports almost as much as imports, as the latter are indispensable to the former, while US would suffer retaliation; the most affected component of domestic demand would not be private consumption, but business investment; the redistributive effect (between sectors or US states) would be negligible, while the loss of activity would be permanent.

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¹ Keynes J.M. (1933), “National Self-Sufficiency”, The Yale Review, Vol. 22, no. 4, June.

² Wibaux, P. (2025) « Dépendances commerciales : si la Chine est en position dominante, l’Union européenne n’est pas dépourvue d’atouts », Lettre du Cepii n°425, Février.

³ Boer, L. & Rieth M. (2024) “The Macroeconomic Consequences

of Import Tariffs and Trade Policy Uncertainty” IMF Working Paper n° 24/13, January.

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