



Trump's tariffs risk economic turbulence - and voter backlash



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Donald Trump has been threatening major tariffs on America's two largest trading partners, Canada and Mexico, for more than a month. It now appears that the day of reckoning is at hand. The risk for the president is that his sweeping tariffs, which also target China, may drive up prices for businesses and consumers in the months ahead, damaging the health of the US economy - the issue that Americans say they care about most.

The economy and inflation was at the top of voter concerns last November – concerns Trump promised to address as he stormed back to the White House, partly on the back of lingering discontent about soaring prices early in the Biden presidency. Trump can comfortably boast that he has delivered many of his most striking campaign promises – including slashing federal jobs, stepping up immigration enforcement and recognising two sexes only. But on inflation, the new Trump administration has made little tangible progress. Sky-high egg prices have been a daily reminder. And while the mass culling of chickens in response to bird flu has played a major role, the cost of the daily staple for many Americans has kept inflation front and centre in voters' minds. As Trump confirmed on Monday that 25% tariffs on Canadian and Mexican-made goods would indeed be coming into effect, US stock markets took their biggest hit of the year, providing an early indication of the economic turbulence his policies could create. And Trump's tariffs on Mexican food imports, in particular, could hit Americans where they feel it the most – in higher prices at the grocery store.

According to a CBS survey conducted last week, 82% of Americans say they think the economy should be a "high" priority for the president. Only 30% said Only 36% of respondents think Trump is prioritising the economy "a lot" – compared to 68% for tariffs. Just 29% believe Trump is prioritising inflation. Views on the state of the economy remain generally dour, as 60% said it is "bad", compared to 58% who had the same view last year. Public opinion of Trump's handling of the economy as a whole is within the margin of error on the survey, with 51% approving. That exactly matches his overall job rating, suggesting that the fate of this president, like those his predecessors, will hinge on the strength of the economy.

According to Clifford Young, president of public affairs at polling company Ipsos, Trump is still in the honeymoon period of his presidency, when Americans will give him room to manoeuvre. Typically, he said, this benefit of the doubt for a new president lasts about six months – but that can be cut short if the economy suffers some kind of dramatic shift. Trump argues that his tariffs will boost US manufacturing, raise tax revenue and spur investment – but most economists say that prices for Americans are likely to rise, potentially in a similar timeframe. Typically, he said, this benefit of the doubt for a new president lasts about six months – but that can be cut short if the economy suffers some kind of dramatic shift. Trump argues that his tariffs will boost US manufacturing, raise tax revenue and spur investment – but most economists say that prices for Americans are likely to rise, potentially in a similar timeframe.