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ECONOMICS
THE WORLD IN BRIEF

June 2025

UK GROWTH TO SLOW DUE TO TRUMP TARIFFS

MORTGAGES UNDER 4% ARE BACK

M&S SHARE PRICE TUMBLES

RETAIL SALES SEES BIG RISE

& MORE...

UK GROWTH FORECAST TO SLOW SHARPLY DUE TO TRUMP TARIFFS

BY KOPIHAN

The UK economy is facing a fresh storm front - and this time, it's blowing across the Atlantic. Following Donald Trump's dramatic return to the White House in 2024, a new wave of protectionist tariffs is threatening to choke off British exports, hammer business confidence, and derail the country's already sluggish recovery.

In response, the Office for Budget Responsibility (OBR) has slashed its 2025 growth forecast from 1.3% to just 0.6%. That figure paints a stark picture: the UK is expected to grow at less than half the pace previously predicted, with economists warning that the full impact of these tariffs may not even be priced in yet.

Trump's second-term trade agenda, dubbed "America First 2.0", revives and intensifies the same protectionist instincts that defined his first presidency. This time, the scope is broader, the tone is more aggressive. A blanket 20% tariff on imported vehicles, 15% on aerospace components, and 25% on steel and aluminium now threatens key UK export sectors.

And the timing could hardly be worse. The US is the UK's largest single-country export market, accounting for more than £140 billion of exports in 2023, roughly 15.7% of all UK outbound trade. The targeted sectors include some of Britain's most productive and globally competitive industries. "It's not just a hit to trade volumes, it's a hit to identity," said Paul Drechsler, former president of the CBI. "The UK has built its post-Brexit strategy on global openness. Now our closest ally is building walls."

The ORB's downgrade is driven largely by three transmission channels: reduced exports, delayed investment, and rising unemployment. Firstly, let's address the issue of exports. Economists estimate the tariffs could reduce UK goods exports to the US by £10-15 billion over the next 12 months. That drag alone is expected to lead to a 0.3% decrease of GDP growth in 2025. Manufacturers in the Midlands, North East, and Wales, regions still rebalancing post-Brexit, are particularly exposed.

Secondly, the direct impact on investment poses an issue. Capital Economics reports that business investment, which had grown modestly in late 2024, is now stalling. A 6% decline in investment intentions among export-facing firms was recorded in Q1 2025, according to the latest CBI survey. Without fresh capital, productivity growth, already a UK weak spot, could suffer even further.

Thirdly, employment. Job losses across steel, automotive, and aerospace industries could reach 40,000-50,000 if tariffs persist throughout the year, according to the Institute for Fiscal Studies. This kind of job loss is likely to causes a rise in structural unemployment, as many of the affected roles require specialist skills that are not easily transferable to other industries. While that's not enough to spike the unemployment rate nationally, it does risk stifling local economies and driving down consumer spending.

The broader macro context offers little comfort. Inflation has cooled from its 2022 highs, settling around 3.2%, and the Bank of England has cautiously begun lowering interest rates. Yet consumer confidence remains fragile. Real wage growth is just barely positive. Financial markets have started to wobble again.

Sterling dropped 1.4% against the dollar in the week following Trump's tariff announcement. Shares in UK industrials and mid-cap exporters have underperformed the broader FTSE 100.

"After Brexit, Covid, and the energy crisis, British businesses are out of shock absorbers," said economist Dr. Linda Yueh. "These tariffs may not tip us into recession, but they will blunt the recovery just when it was gaining traction." The UK government, caught off guard, has called for urgent talks with the US. But as of early May, there's little sign of exemptions or negotiation. Ministers are walking a diplomatic tightrope, loathe to retaliate but under pressure to protect key industries.

Trade diversification remains the long-term goal. The UK has joined the CPTPP and is deepening ties in the Indo-Pacific, but new trade relationships won't replace the US overnight. In the short term, options seem to be limited. With debt at 98% of GDP and a general election looming, fiscal stimulus is politically tricky. Monetary policy, meanwhile, is constrained by the delicate task of anchoring inflation expectations while avoiding a growth stall.

The UK is no stranger to economic headwinds, but this one is different. It's external, strategic, and symbolic. Trump's tariffs aren't just about economics, they represent a shift in the geopolitical ground beneath Britain's post-Brexit strategy. As Ruth Gregory at Capital Economics succinctly puts it: "The UK has spent years trying to reposition itself in the global economy. These tariffs are a stark reminder that independence doesn't guarantee insulation."

The next 12 months will test how sturdy and flexible the UK economy really is, and whether its vision of a Global Britain can survive a more fragmented world.

RETAIL SALES SEE BIGGEST RISE FOR 4 NEAR 4 YEARS

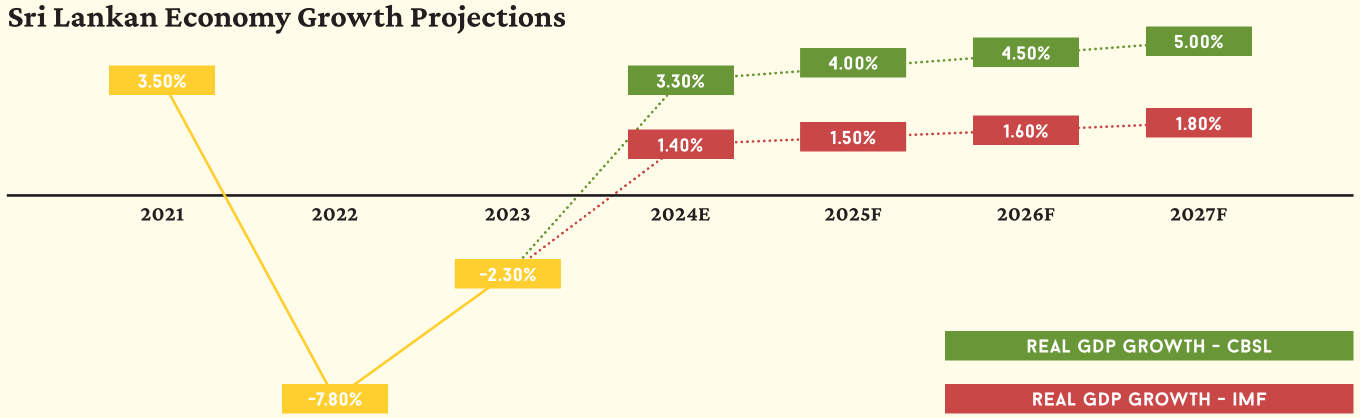
BY AMRIT & NICK

Sales were up 1.6% from January to March this year, according to the Office for National Statistics (ONS), the largest rise over a quarter since July 2021. This was caused by a number of factors, including sunny weather, an increase in consumer confidence, and higher levels of expenditure. These factors will be explored in more detail throughout this article.
One of the largest impacts was the unusually warm weather in March, which had a direct effect on shopping habits. For example, many people purchased gardening tools and furniture earlier than usual, leading to a surge in sales at garden centres. Similarly, retailers selling DIY goods benefited from the improved weather, as more households undertook home improvement projects.
Furthermore, clothing and footwear sales also played a key role in driving growth. According to the ONS, clothing and shoe stores saw sales increase by 3.7% in March compared to February, illustrating elevated demand as consumers expanded their wardrobes ahead of spring and summer. Non-food store sales rose by 1.7% overall during the month, underlining the strength of discretionary spending (spending on non-essential items) in the first quarter of the year.
However, while many sectors saw growth, this was not the same for all areas of retail. Food sales volumes declined, particularly at supermarkets, where there was a noticeable 1.3% drop in March. This suggests that while shoppers were willing to spend on non-essentials like clothing and DIY, they may have been more cautious with routine grocery shopping, possibly due to lingering cost-of-living concerns.
Consumer confidence appeared to improve early in the year, helping to fuel this growth. Lower inflation and wage rises gave many households greater financial flexibility, as noted by analysts who described March as a "sweet spot" for many families.
However, there are warnings that this momentum may not continue. A separate survey by GfK reported that consumer confidence fell sharply in April, reaching its lowest point since November 2023, potentially as a result of rising household bills, including utilities and council tax were mentioned as key reasons for this decline in consumer sentiment and confidence.
Looking ahead, some economists remain cautiously optimistic. Although April's confidence figures revealed worrying signs, there is hope that falling energy costs and potential interest rate cuts later in the year could restore consumer sentiment. Retailers, while encouraged by the first-quarter performance, are also bracing for possible challenges in the months to come, especially if household budgets tighten again.
To conclude, the first quarter of 2025 brought the strongest retail sales growth in nearly four years, fuelled by favourable weather, rising consumer confidence, and a willingness to spend on non-essential goods. However, with uncertainty on the horizon, the retail sector will be watching closely to see whether this upward trend can be sustained through the rest of the year.

SRI LANKAN ECONOMY - HAVE SECURED A $3BN BAILOUT FROM THE IMF FOR A STRUGGLING ECONOMY

BY KIERAN & OLIVER

Sri Lankan Economy Growth Projections



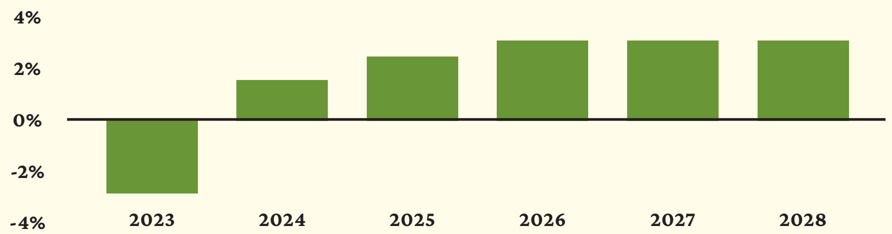
The International Monetary Fund (IMF) approved the third review of Sri Lanka's $2.9bn bailout in March 2023 but warned that Sri Lanka's economy remains vulnerable. However, Sri Lanka's prospects of economic growth look more promising now than it has done since the bailout was secured.

What is a bailout from the IMF?

An IMF bailout is financial assistance provided by the International Monetary Fund (IMF) to a member country experiencing a balance of payments crisis or a liquidity shortage.
The IMF offers loans and advice to help countries stabilise their economies, address financial difficulties, and restore confidence. In exchange, the recipient country typically agrees to implement economic reforms and policies to address the underlying issues causing the crisis.
The global lender said it would release about $334 million to the crisis-hit nation, bringing total funding to around $1.3 billion. This decision was partly caused by Sri Lanka's new president Anura Kumara Dissanayake releasing his first full-year budget, which included committing to a primary surplus target of 2.3% of GDP for 2025 set under the IMF program.
The IMF Bailout which was actually secured in march 2023 helped stabilise economic conditions after the country entered its worst financial crisis in more than seven decades in 2022. Reporting from the capital, Colombo, Al Jazeera's Minelle Fernandez said the IMF seemed happy with the pace the government has been keeping and the economy "has stabilised from those dark days of 2022 with no money for fuel, food, medicine, energy".

Sri Lanka went to the IMF for a rescue package after defaulting on its $46bn external debt in April 2022. The economic freefall sent inflation soaring to 70%, its currency to record lows and its economy contracting by 7.3% during the worst of the fallout and by 2.3% in 2023. But, the IMF noted that by the end of 2024 Sri Lanka's real GDP had recovered about 40% of the loss incurred between 2018-2023. Moreover, the Asian Development Bank forecasts the economy will grow by around 3.9% - 5% expansion, depending on the successes of the reforms implemented.

Sri Lanka's Growth seen Stabilising after IMF bailout



Source: International Monetary Fund Report

INTEREST RATE CUTS 2025

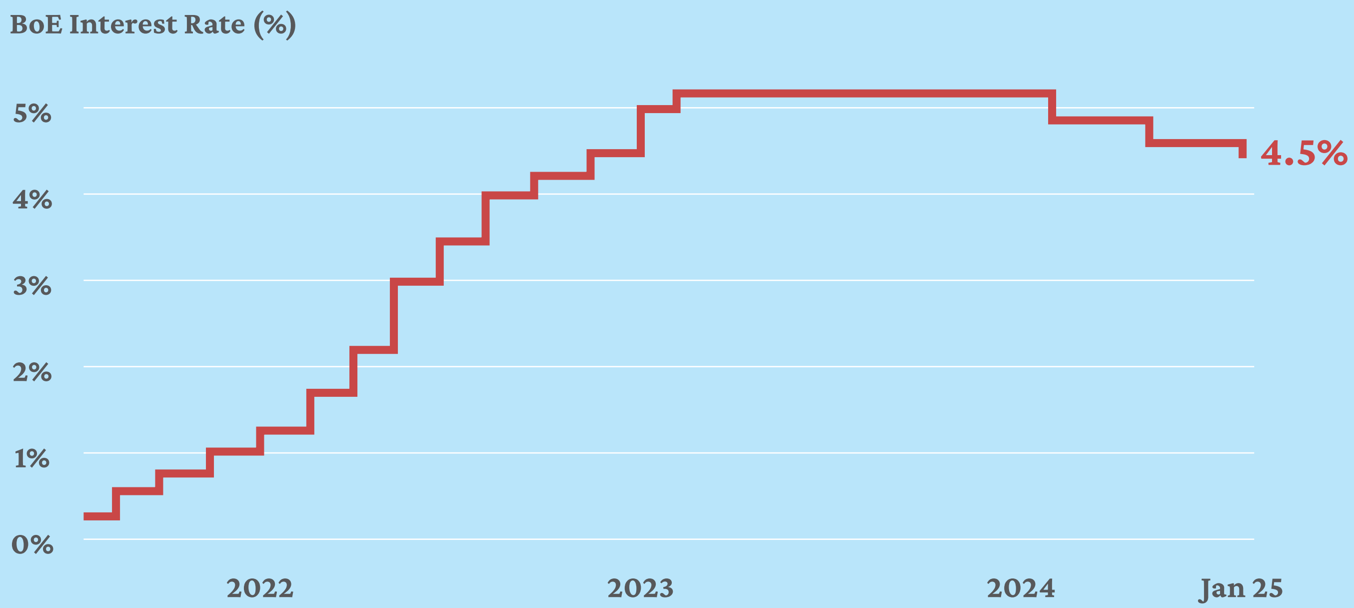
BY ADARSH & AAYAN

After years of economic uncertainty, during which inflation reached all-time highs, the Bank of England raised interest rates to tackle the problem, a move that ultimately proved successful in reducing inflation. As a result, the Bank began cutting rates in late 2024.
Today, as we continue through 2025, economists are anticipating a further three cuts that might drop the base rate from its current 4.5% to 3.75% or even lower. These changes can affect every part of the economy, from mortgage repayments to savings, but let's first have a look at what's actually driving these cuts in interest rates?
The primary justification for further monetary easing lies in the successful containment of inflationary pressures. Annual inflation has declined substantially from its October 2022 peak of 11.1% to just 2.1% as of May 2025, comfortably within the Bank's target range. This disinflationary trend has provided policymakers with the necessary flexibility to stimulate economic activity through lower borrowing costs. However, the economic recovery remains fragile. First-quarter GDP figures for 2025 showed little growth of just 0.2%, while key sectors continue to underperform. The housing market has seen transactions decline by 12% year by year, and business investment remains 8% below pre-pandemic levels.

The Bank's anticipated moves align with broader international trends. Both the US Federal Reserve and European Central Bank initiated their own rate-cutting cycles earlier in 2025, with the Fed having already reduced rates by 75 basis points. This global synchronisation reduces potential adverse effects on currency markets and capital flows, making it easier for the Bank of England to adapt to a more monetarily eased economy.

For households, the most immediate effect will be felt in the mortgage market. Approximately 2.5 million homeowners on variable-rate or tracker mortgages stand to benefit directly. A 0.75% reduction in rates would translate to average monthly savings of £62 for those with a £200,000 mortgage. First-time buyers may also find improved affordability, though house prices remain elevated relative to incomes.
The corporate sector is likely to experience easier access to credit, with small and medium-sized enterprises particularly benefiting from lower borrowing costs. This could support much-needed capital investment, which has lagged throughout the post-pandemic recovery period. However , savers and pensioners face continued challenges. The average savings rate, currently at 3.2%, is expected to decline further, adding further financial pressures for those dependent on interest income. Annuity rates may also decrease, affecting retirement planning decisions.
Further rate cuts carry several risks. Wage growth remains elevated at 5.5%, maintaining inflationary pressure in the services sector. Energy price volatility persists due to geopolitical instability, threatening to reverse recent disinflation. The new government's growth agenda may pressure the Bank for premature or excessive cuts, risking its operational independence. Monetary transmission faces obstacles: high household debt may limit consumer spending responses, while business investment remains constrained by weak confidence. Banks' margin pressures could restrict full pass-through of rate cuts to borrowers. Structural factors, including tight labor markets and supply-side constraints, may blunt the stimulus impact while keeping inflation risks elevated.
The MPC must balance these competing factors carefully. Premature easing could restart inflation, while excessive caution risks prolonging economic stagnation. Data dependency will remain crucial, with particular attention to core inflation trends and wage settlements.
The broader economic impact will hinge on how these monetary policy changes interact with fiscal policy and global economic conditions. While lower rates should provide some stimulus, their effectiveness may be constrained by structural challenges in the UK economy, including productivity growth that continues to lag behind pre-financial crisis trends.

The anticipated interest rate cuts in 2025 represent a necessary adjustment to changing economic circumstances, but they are not without risks. Policymakers must carefully balance the need to support growth against the imperative of maintaining price stability.
For businesses and households, these changes will create both opportunities and challenges, requiring careful financial planning and risk management. The coming months will be crucial in determining whether this policy shift can successfully steer the UK economy towards more sustainable growth without restarting inflationary pressures.



MORTGAGES UNDER 4% ARE BACK BUT DANGERS IN PLACE FOR BORROWERS

BY HARRY & FELIX

Introduction

Mortgage rates have dipped below 4% again for the first time since November 2024, attracting a new wave of buyers and refinancers to a housing market that had cooled significantly under the weight of higher borrowing costs. For many, this return to a below 4% mortgage rate signals that this era of punishing mortgage rates is easing, increasing consumer confidence within a market previously marked by hesitation and low demand. Although this is largely positive, there are some issues that arise as a result of this lower mortgage rate, mainly being that borrowers may take larger loans due to the incentive of lower monthly payments and end up not being able to manage them.

Why Rates Are Falling

Largely, the fall in mortgage rates is down to changing market expectations around interest rates and inflation. As inflation slowly declined post covid and from its peaks in 2022-2023, central banks such as the Bank of England and the Federal Reserve have opted for lower interest rates and more economic stimulation with the possibility of rate cuts in the near future. This has caused a fall of 3.98% yield on government bonds with a maturity of 5 years as well as similar drops in yields across a wide range of bond types which are heavily tied to the pricing of fixed-rate mortgages. This fall in bond yield primarily comes from investors anticipating slower economic growth and less aggressive central bank policy. Consequently, lenders were forced to lower their mortgage rates in order to compete in a long cautious market that is only now beginning to slowly thaw.

Surge in Buyer Activity but risks continue

With the mortgage rate dipping below 4%, the number of buyers has begun to pick up significantly. According to UK Finance, mortgage approvals rose by 18% in April 2025, marking the strongest monthly increase in over a year. First-time buyers are also returning to the market as well as those looking to upscale and landlords looking to refinance or expand portfolios before rates potentially rise again. This is not without its risks though as house prices remain just 4% below their peak in 2022, with buyers feeling pressured to stretch budgets to secure a home, particularly with more lenders now offering 90–95% borrowing proportion relative to home value. While some banks have marginally eased affordability criteria, which is used to judge whether someone should be loaned to, others remain cautious, with many are testing whether a borrower could still afford their mortgage if interest rates went up to 6% or more to protect against potential future shocks

Hidden Dangers

Despite the sub 4% rates offering a small bit of relief. Household debt levels still remain significant. In the UK total household debt has reached over £1.8 trillion with mortgage debts making up £1.6 trillion. Even small increases in monthly payments can put a huge strain on households, especially for first time buyers who already struggled to get on the property ladder in the first place. What's more there is a high chance of 'rate shock' buyers, with 57% of UK mortgages being fixed for 2-5 years, facing them with possible payment shocks, with a jump from 3.9% to 5.5% on a £250,000 loan increasing monthly payments by up to £300.

Policy and Regulatory Context
Central banks, in particular the Bank of England have been cautious and very aware that rate cuts could ignite riskier borrowing. In the UK regulators have hinted at the possibly of stricter affordability tests if household leverage increases
Smart borrowing in a fragile Economy
With the nature of today's climate being vulnerable and unpredictable. It's crucial that consumers remain careful. With more and more financial advisors recommending stress testing mortgage affordability at 6-7% in case the market becomes more volatile in the near future. Households under pressure should definitely consider trying to build an emergency fund in case prices soar once again to reduce the reliance on loans.

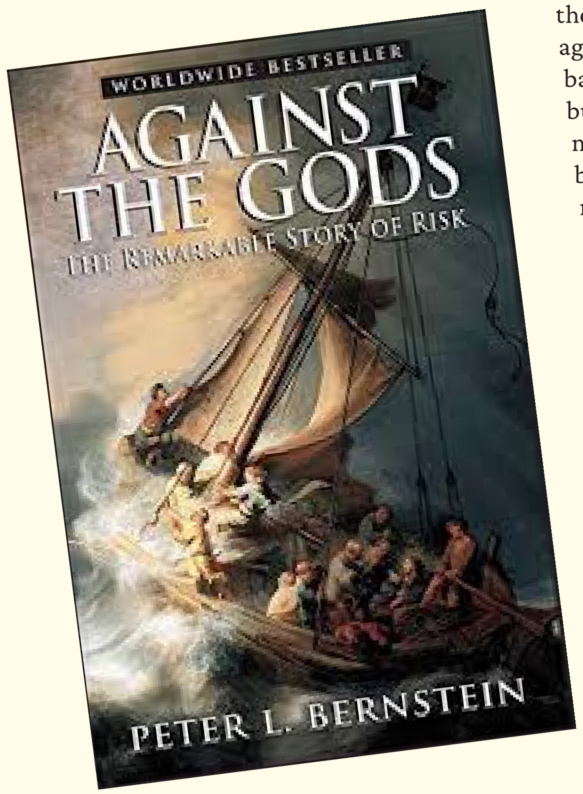
Conclusion

The return of sub 4% mortgages is a pleasant surprise, but certainly not a free pass. It's certainly a big opportunity for homeowners to reduce debt quicker and strengthen their long term finances. However since the pandemic the economy has been very uncertain, and irrational behaviour from consumers would very likely come back to bite them in the future. Whilst the rates are low, volatility still remains very high.

BOOK REVIEW: AGAINST THE GODS: THE REMARKABLE STORY OF RISK BY PETER L. BERNSTEIN

BY AYAAN ALI

When I first picked up Against the Gods, I honestly thought it would be a dry book about statistics or finance. Turns out, it's actually a fascinating story about how humans learned to understand risk—and how that changed everything, from gambling to global finance. If you're doing A-Level Economics or even just enjoy a good story about big ideas, this book is surprisingly readable and really eye-opening. The book starts off way back in ancient times, when people believed everything that happened—good or bad—was because of the gods or fate. If your crops failed, you'd blame it on the stars or a curse, not random chance or bad planning. It's hard to imagine now, but no one really thought about probability or tried to measure risk. That only changed during the Renaissance, when a few curious people started thinking differently.



One of my favourite parts in the book is the story about the "unfinished game" problem. Basically, two gamblers had to stop their game early and didn't know how to split the prize fairly. They asked some mathematicians for help, and that kicked off a whole new way of thinking about probability. Blaise Pascal and Pierre de Fermat came up with a solution that was all about maths, not luck. As Bernstein writes, "The gambler's problem of the unfinished game transformed chance from a matter of fate to a matter of numbers." The gambler's problem was: "Two players are in the middle of a game and have to stop early. The winner is the first to win, say, 5 rounds. One player has won 3 rounds, the other 1. How should the pot be fairly divided?" With which, the answer given was the two men agreed that decisions should be based not on what had happened, but on what could happen.That moment changed history—because once you can measure risk, you can manage it.

From there, the book walks through how more and more people built on that idea. There's Jacob Bernoulli, who figured out that with enough data, patterns start to appear (that's the law of large numbers). Then there's Francis Galton and Karl Pearson, who developed early statistics. These names can seem intimidating, but Bernstein does a decent job of making their work understandable—even if you're not a maths genius.

Later in the book, Bernstein talks about finance and how people started applying all these theories to investing. This part really clicked with me because it ties into topics we cover in A-Level Economics, like risk, reward, and decision-making. There's stuff about modern portfolio theory, pricing models like Black-Scholes, and how people use maths to try to predict market movements. It sounds complicated, but Bernstein explains it like a story—not a textbook.

What I liked most is that the book doesn't just praise all these clever models. Bernstein also points out their limits. He talks about how human behaviour—fear, greed, overconfidence—can throw off even the best predictions. Just because something works on paper doesn't mean it works in real life. I thought that was a good reminder, especially with how unpredictable markets and the world can be.

Overall, Against the Gods is a surprisingly interesting read. It's not a fast-paced thriller or anything, but it kept me hooked because it made me think about how we've come to rely on numbers and data to make decisions. It also helped me see the real-world side of some of the theories we learn in class. If you're into Economics, or just like understanding how people make decisions under uncertainty, I'd definitely recommend giving it a go.

Rating: 9/10

Way more interesting than I expected. A solid read for any A-Level Econ student curious about how risk shaped the modern world.

MRS. CARR'S AUBERGINE & POTATO CURRY

Ingredients:

1 large aubergine, chopped into cubes
5 medium potatoes, chopped into cubes
5-6 ripe tomatoes or a can of chopped tomatoes
4 garlic cloves, crushed
2 inches ginger or 3 frozen ginger cubes
1 green chilli, chopped or 1 frozen green chilli cube
2-3 tbsp sunflower oil
1 tsp cumin seeds -
1 tsp mustard seeds
½ tsp Kashmiri chilli powder
½ tsp asafoetida
½ tsp turmeric powder
2 tsp ground cumin powder
2tsp ground coriander
1 tbsp sugar
2tbsp garam masala
500-600ml boiling water
Salt
Chopped coriander
Juice of one lemon

Instructions

1. Heat oil in wide based pan. When hot, add your mustard seeds, cumin seeds, Kashmiri chilli powder. Once sizzling, add the asafoetida. Let this cook for 15-20 seconds.
2. Add the chopped aubergine, garlic, ginger and green chilli, turmeric powder, ground cumin and coriander and mix well and cook for 30 seconds.
3. Now add the chopped tomatoes and potatoes and mix well.
4. Once all the veggies are coated, add the water, salt and sugar and stir well. Bring to the boil and once boiling, reduce heat to a simmer and cover and cook for 20 minutes, stirring halfway.
5. After 20 minutes, uncover and add the garam masala. Let it cook uncovered for 10 minutes or longer if sauce still needs thickening. The gravy should be thick and luscious, and all the veggies should be super soft. Add the lemon juice and fresh coriander and serve!

Enjoy with roti/puri/naan or rice.

M&S ONLINE CYBER ATTACK - SHARE PRICES FALLING

BY BEN & BEN

What happened?
In recent weeks M&S has been hit by a ransomware attack from the criminal gang Scattered Spider. Disruption began hitting stores over the Easter weekend. The cyber attack on the retail giant caused delayed parcels, paused online orders and suspended gift card payments. Many sources suggest that this incident may affect the retailer's reputation within the market. The company has hired external cyber security experts to help solve the issues and kick the criminal gang from the company's platform. In an email to customers, M&S chief executive Stuart Machin made the statement: "Over the last few days, M&S has been managing a cyber incident. To protect you and the business, it was necessary to temporarily make some small changes to our store operations, and I am sincerely sorry if you experienced any inconvenience".
Whilst M&S have been hit the hardest so far, they are one of three large UK retailers that have been subject to cyber attacks in a matter of days. Harrods was targeted in a cyber attack but were able to respond quickly by restricting internet access in its stores and offices. Consequently, Harrods disclosed that both in-store and online services have remained unaffected. In contrast, The Co-op have been much more unfortunate victims of a cyberattack. Despite all financial information remaining secure, this has led to the exposure of personal data for over 6.2 million members. Whilst The Co-op have restored all of their websites, full recovery efforts are still ongoing. This highlights a growing interest in large UK retailers from cyber criminals due to the potential leverage that can be gained over them through obtaining personal data. However, prompt responses and robust security protocols can help mitigate the effect of these cyber threats to business operations.

Reputation risk
M&S is at a huge risk of losing its pristine reputation after failing to disclose the full nature of the attack or when it expects to be back to full functionality again. As well as this, many customers are still awaiting to return items previously purchased or are awaiting refunds that are yet to be processed. M&S heavily relies on its online services as around a third of clothing and household goods sales in the UK are through the website and app. These sales were worth roughly £1.268bn in the latest published financial results from the company. Despite stores still being open, sales are still expected to plummet. Not only do many people prefer the ease of shopping online, the stores do not stock many of the popular ranges on the M&S website, with the company admitting that some products are running short in stores as it continues to battle the fallout from this cyber attack. Furthermore, stores are only accepting card and cash, with no contactless payments being able to be processed. Despite this, the firm are doing their best to reassure customers and informed people on social media that all online orders placed after Wednesday 23rd April will be refunded.
Other retailers have been hit by cyber attacks in the past 5 years. For example, in 2023, JD Sports were victims to a big cyber attack which compromised roughly 10 million customers' data. Whilst this damaged the company's reputation, it did not halt operations - like the one to M&S. The scale of the attack on M&S is one of the biggest in a while. Though it is clear to see that JD's reputation has been maintained and many customers shop there still. The same could be said for the MGM Resorts International after they were victims to a cyber attack in late 2023. The MGM Grand in Las Vegas is still one of the most well known hotels in the city and being one of the most popular hotels to stay in on the Vegas strip. Based on this history of previous cyber attacks on huge companies, M&S should still maintain their strong high street reputation, although it may take a while to regain the full trust of the British public.

Share prices
Marks and Spencers was one of the most popular companies to invest in and buy shares of in recent years. Over the last 5 years, M&S shares have risen in value by over 350%, as well as this its share price has nearly quadrupled since the start of 2022. As well as this, the firm's shares increased by an impressive 20% in the month of March, making it one of the best performing firms in the FTSE 100 in recent times.
However, due to this cyber attack, M&S share prices have dropped. As of 29th April 2025, shares in M&S plunged 6.9% in roughly a week and around £700 million has been wiped off of the company's market value. Shares have nose dived from 411p to 383p since the beginning of the cyber attack.

What does this mean for investors?
Investors are rapidly losing confidence in M&S not only in the short term due to the rapidly falling share prices, but also in the long run because of the lack of disclosure. Many investors want to know what M&S are doing to protect themselves from this happening again in the future, especially with them not disclosing what they are doing to battle the cyber attack. However, many investors are confident that M&S can sort out its system disruption. Russ Mould, investment director at AJ Bell, believes that the management is being extremely thorough in the process of getting the cyber attack out of the system due to the amount of time it is taking for M&S to sort out the disruption.

CASE STUDY: US TARIFFS – A DETAILED DOCUMENT OUTLINING ALL THE TARIFFS THAT HAVE BEEN SET BY THE US ON THE REST OF THE WORLD

BY WYATT & COREY

Introduction
After Trump announced a 90-day pause on many of his tariffs introduced on April 2, known as "Liberation Day", we have already seen immediate impacts of this 'trade war' on the US economy, sending a shockwave through the US stock market after a plummet in business confidence among top investors and entrepreneurs. President Trump has been issuing executive orders surrounding China, the EU, Mexico and Canada and trade at an unprecedented rate, attempting to bully countries around the world into trade talks and deals that would benefit the United States. However, many of his orders have resulted in retaliatory tariffs from global powerhouses such as Canada, China and the European Union, creating a global sense of unrest, confusion, and fear, as the relationships that once defined global trade are being threatened to crumble. This article will explore Trump's tariff orders leading up to today, and explain some of the impacts that have already been seen on the world stage.

Early Executive Orders on Top US Trading Partners
President Trump's focus on tariffs has been evident for a long time, telegraphing his desire to implement them as US policy since before his inauguration, stating at the Economic Club in Chicago in 2024 that: "To me, the most beautiful word in the dictionary is tariff, and it's my favourite word". As early as a couple of weeks after he regained his seat in the White House, steep new tariffs on Mexico, Canada and China were announced on February 1st. The quickest retaliation came from Canada within a few hours, with Prime Minister Justin Trudeau pledging to implement tariffs on $20bn of US goods in response, as well as a new wave of economic nationalism. The President's initial 10% tariffs on Canada and Mexico were swiftly put

on hold for 30 days after attempted co-operation. However, the tariff on China took effect on February 4th, alongside a thrashing of levies, resulting in a retaliatory tariff on $14bn of US goods from China. The Trump Administration continued global pressure on February 10th, announcing a 25% tariff on aluminium and steel imports set to take effect on March 12th, in response to "foreign players" that were "undermining US producers", which was likely to sharply increase costs for American manufacturers that import these metals. The eventual implementation of the March 12th tariffs on aluminium and steel saw swift retaliation from Canada, with tariffs on almost $21bn of US goods, as well as the EU, with a tariff package targeting up to $26bn of US goods, set to take effect on April 1st. A large bulk of the initial tariff attacks on China, Canada and Mexico came after Trump's accusations of "failing to clamp down on the trafficking of the deadly opioid fentanyl", while also demanding Canada and Mexico to "tighten" their borders.

The Global Spectre and So-called "Liberation Day"
Following this, Trump's sights widened to a more global scale, announcing tariffs on countries that buy Venezuelan oil on March 24th. What happened quickly a day later was the announcement of 25% tariffs on foreign-made auto imports. Unsurprisingly, this was followed by quick notice of possible retaliation from potentially-affected countries such as in Europe, Asia and North America on March 27th. Despite the questionable executive orders and withdrawals regarding trade tariffs since his inauguration up to the end of March, we saw complete upheaval and global criticisms come with the announcement of the so-called "Liberation Day" on April 2nd. President Trump announced trade tariffs ranging from 10-50% on 185 countries, where a universal 10% tariff would start on April 5th, with other tariffs beginning April 9th. This completely excludes countries like Russia, Belarus and North Korea, as well as Canada and Mexico, which remain unchanged. Many countries worldwide fit into the April 9th bracket, with China having an initial slap on the wrist of 34%, Vietnam with 46%, the EU with 20%, Pakistan with 30%, and Cambodia as high as 49% in the initial announcement. According to the Yale Budget Lab, these duties will raise the US effective tariff rate, which measures revenue of duties on goods as a proportion of import value, to between 18 and 25%, a level not seen since 1934.
A quick "fistfight" between China and the US ensued, with the US' retaliatory response of a further 50% to China's initial retaliation of 34%, resulting in China chucking another 50% tariff on top of this on April 9th. The large response came from the Trump administration on April 9th, which saw a steep 145% tariff put in place on China, while the 90-day pause was put in place for all other countries, setting them to the base rate of 10%. The bulls once again smashed horns, as China responded with an increased 125% tariff on the US, creating uncertainty for the future of trade between the two countries.

Conclusion
In the last couple of weeks, we have seen little to soften the impact of these tariffs by President Trump and his administration, with only the order to offer car manufacturers relief from the tariffs on April 29th. Threats to carry out more executive orders in the hope of an increasingly domesticated market without the reliance on imported goods and services are still being announced at the time of writing this article. Just yesterday (May 4th), Trump made a burst of posts on his social media platform Truth Social, saying he will "impose 100% tariffs on movies made abroad", concluding by saying "WE WANT MOVIES MADE IN AMERICA, AGAIN!" It remains to be seen if Trump's tariffs will have the intended impact, or if they will continue to cause the global chaos that has ensued from his executive orders and social media posts. As long as these tariff orders and declarations continue at a frenetic pace, we can only be sure of uncertainty within global markets, trade relations and the lives of the every-day consumer.

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