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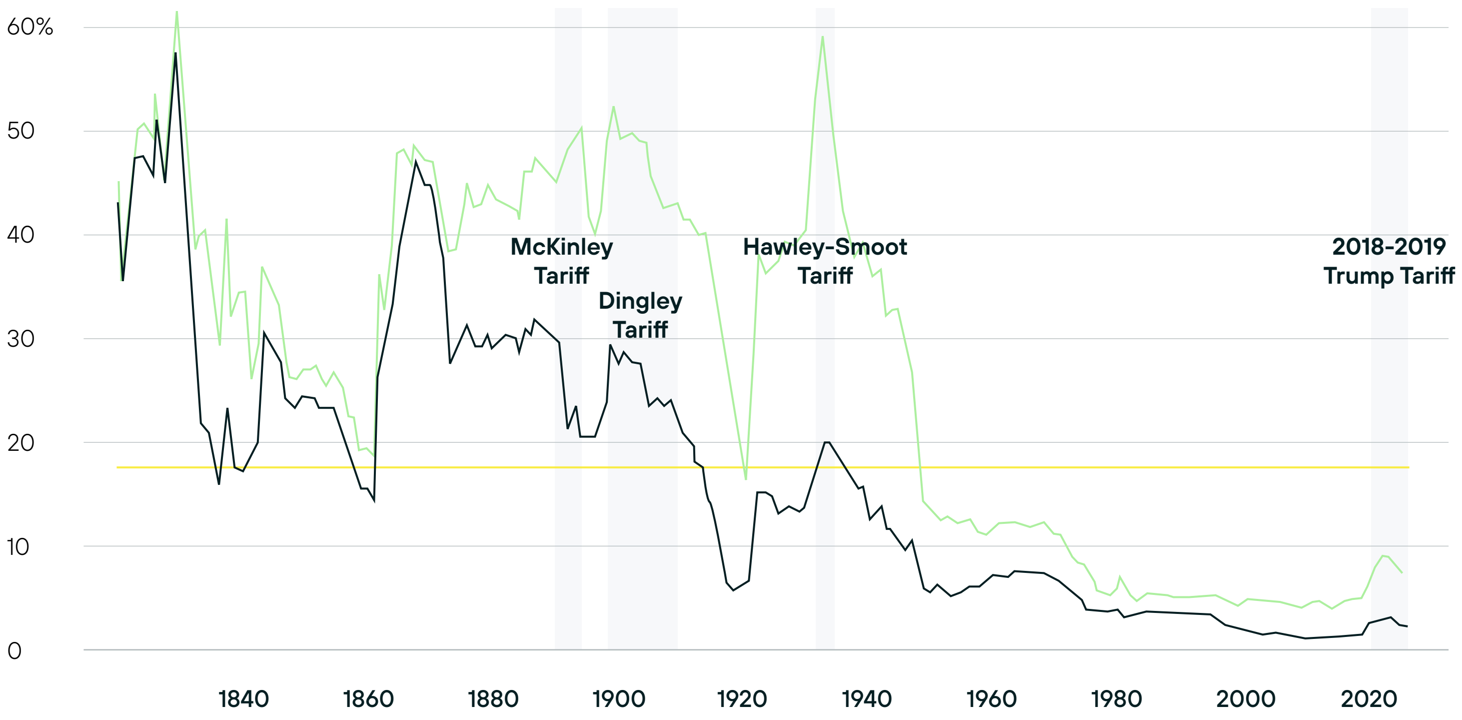
TRADE WAR 2.0

Market Insights & Data

Trump's Tariffs Would Take The Average Tariff Rate On All Imports To Highs Not Seen Since The Great Depression

Average Tariff Rate on All Imports and Dutiable Imports, Historical Rates from 1821-2023, Projected Rates for 2024, Estimated Rate for 2025 Under Trump's Proposals.

Average Rate on Dutiable Imports
Average Rate on All Imports
Average Rate on All Imports Under Trump's Proposals

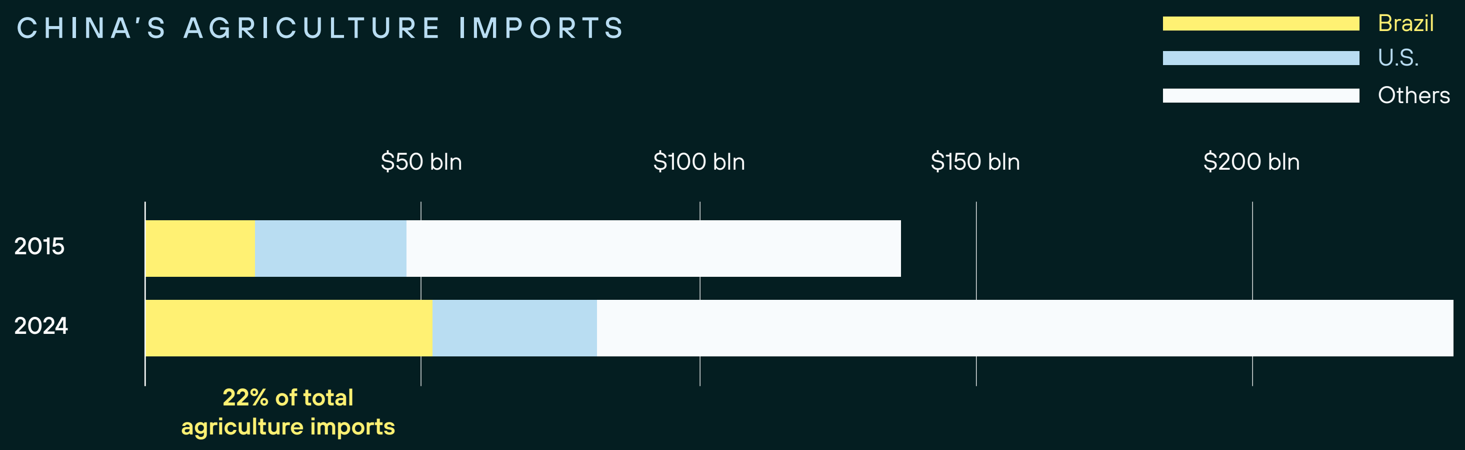


Note: *Tariff revenue estimate uses an elasticity of -0.997, tax-inclusive rates, and a noncompliance rate of 15%.*
Source: *U.S. Census Bureau, Historical Statistics of the United States: Colonial Times to 1970, Part II; US International Trade Commission, "U.S. imports for consumption, duties collected, and ratio of duties to values, 1891-2023, (Table 1)"; Tax Foundation calculations.*

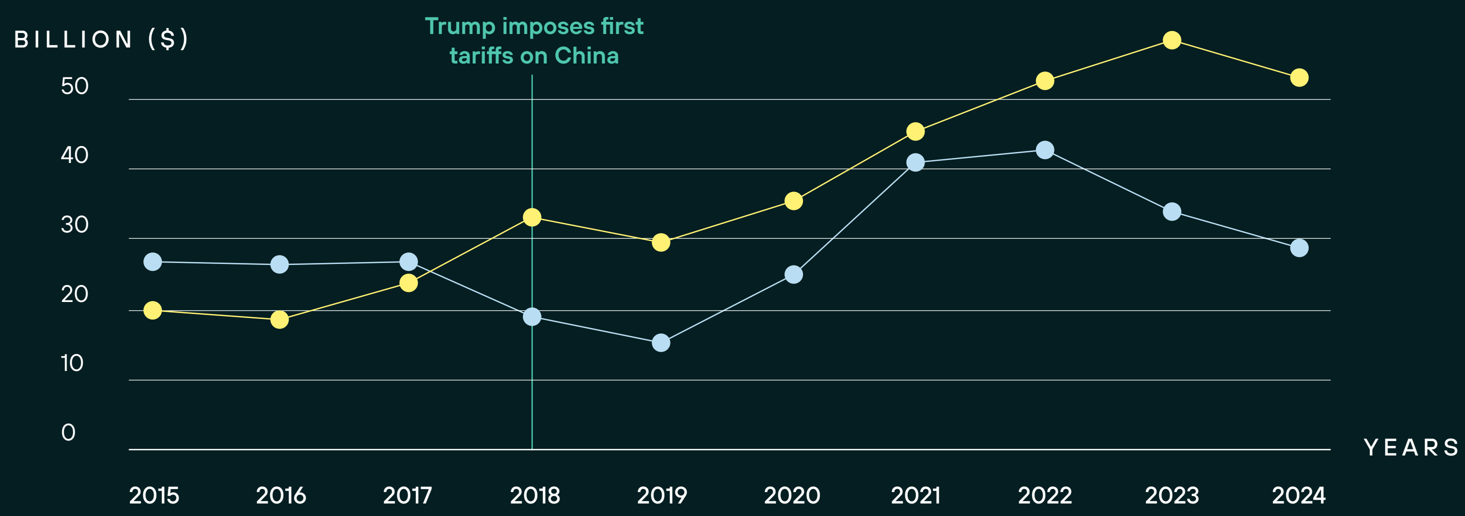
China Pivot From U.S. Farm Imports Bolsters It Against Trade War Risks

China has been diversifying its supply sources since 2018 to reduce dependency on U.S. goods with Brazil overtaking U.S. as its biggest supplier.

CHINA'S AGRICULTURE IMPORTS



AGRICULTURE IMPORTS FROM TOP TWO SUPPLIERS

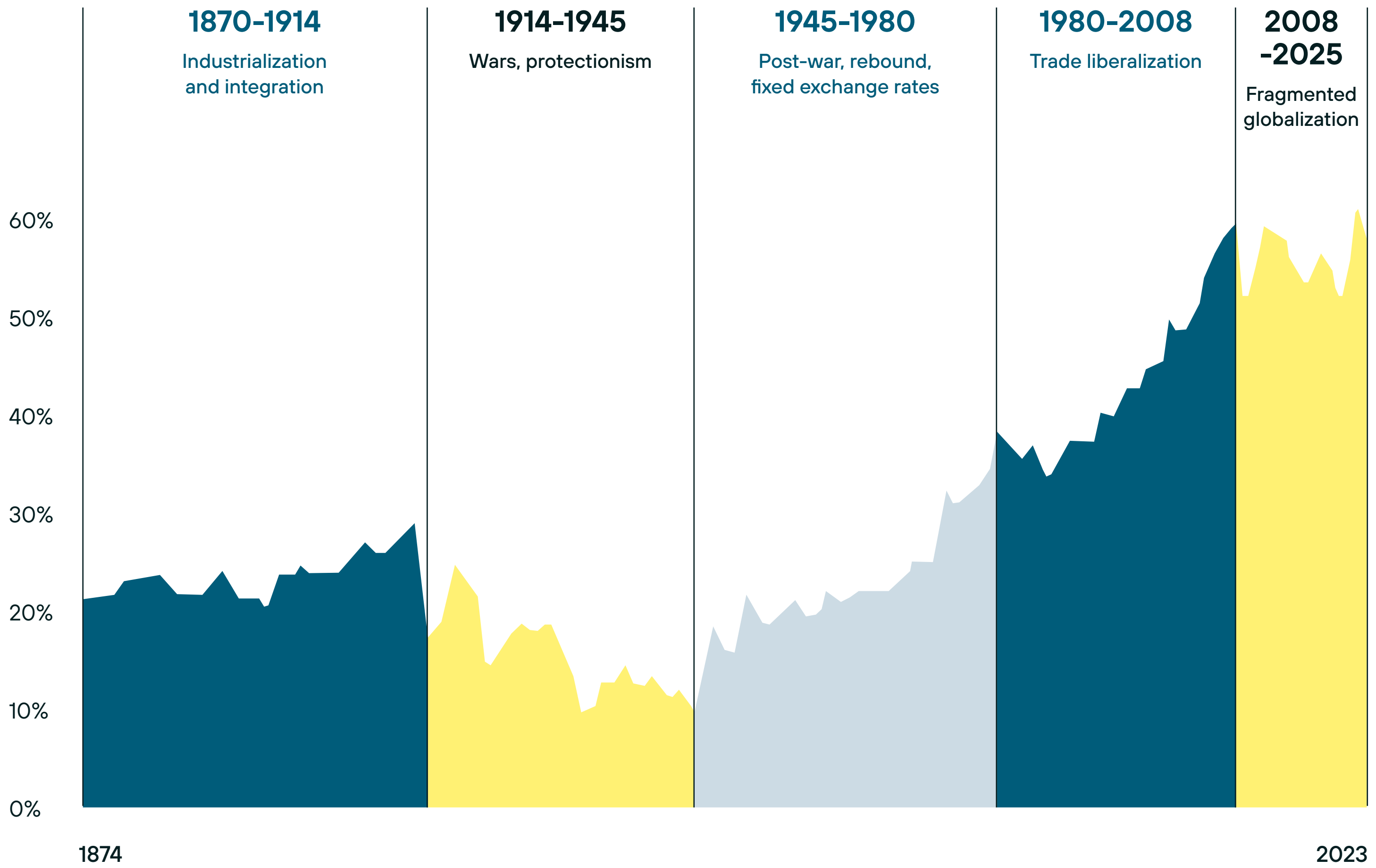


Source: *Trade Data Monitor, Kripa Jayaram • Jan. 27, 2025 | REUTERS.*

New Era Of Fragmented Globalization

Following a multi-decade period of trade liberalization and "just-in-time" globally extended supply chains, a new era of "fragmented" globalization (a better term, perhaps, than "de-globalization") began to emerge after the Great Financial Crisis (GFC) of 2008-9. Since the 2018-19 trade wars, the post WWII period of gradual trade liberalization officially ended, and is unlikely to return anytime soon.

TRADE OPENNESS
(SUM OF GLOBAL EXPORTS AND IMPORTS AS PERCENT OF GDP)



Source: *(1) PIIE, "Globalization is in retreat for the first time since the Second World War" (Oct. 2022). Trade openness index is defined as the sum of world exports and imports divided by world GDP. 1870-1949 data is from Klasing and Milionis (2014). 1950-1969 data is from Penn World Tables (10.0) 1990 to 2023 data is from the World Bank.*

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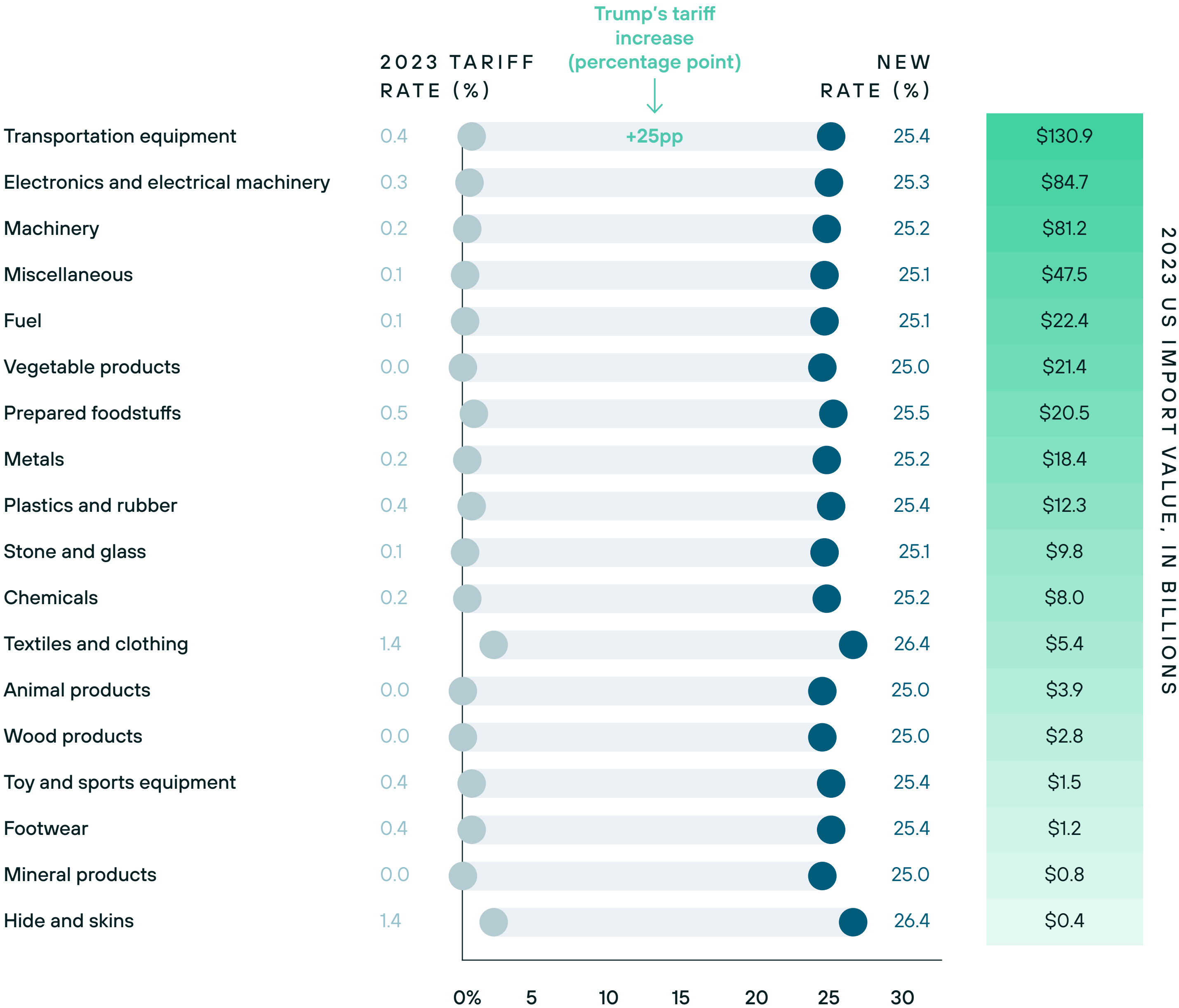
Which U.S. Imports From Mexico Would Be Hit The Hardest Under The 25 Percent Tariff?

Increases in average ad valorem equivalent tariffs on U.S. imports from Mexico based on Trump's February 1, 2025 announcement.

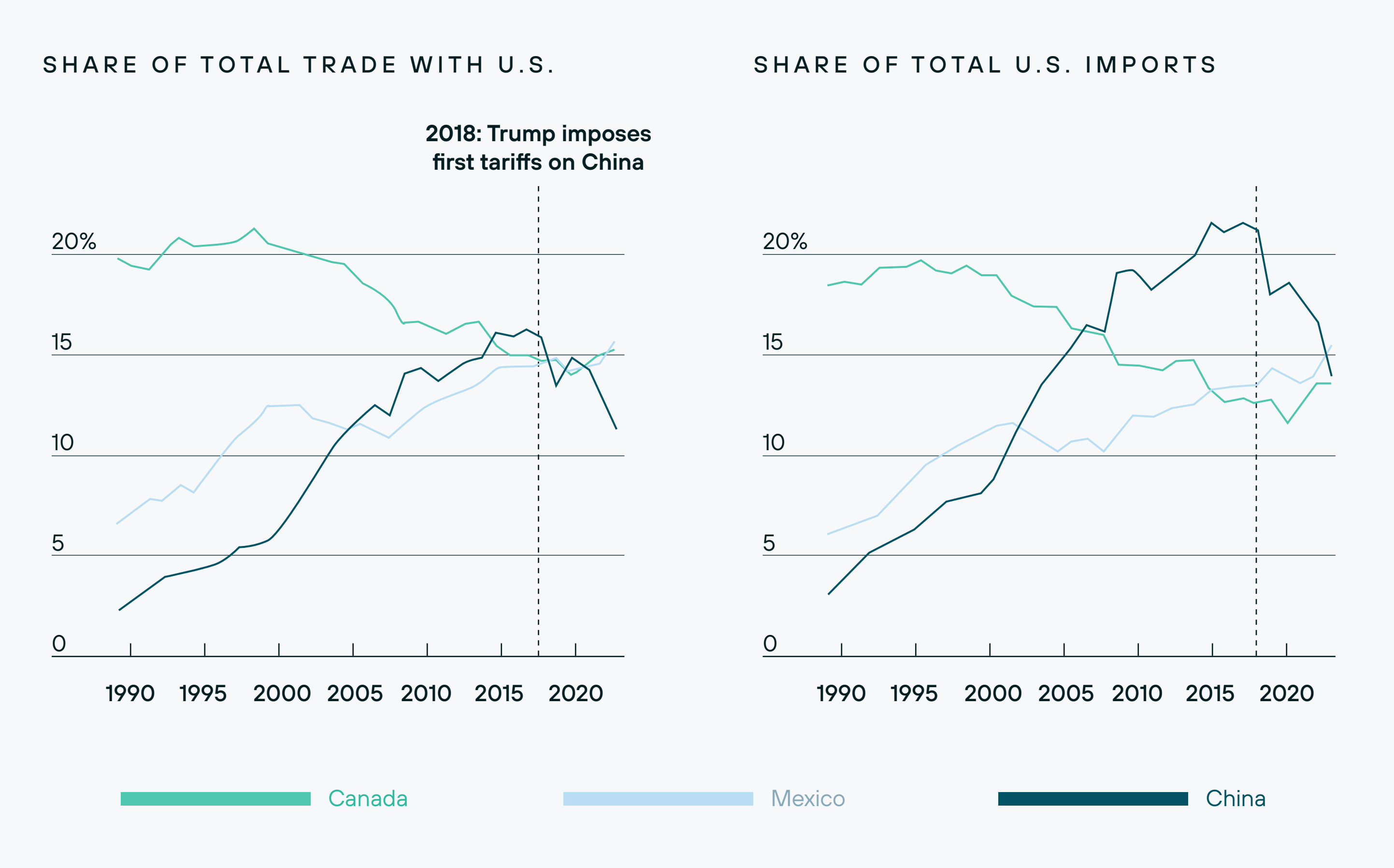


Note: *Sectors ordered from largest to smallest total import value from Mexico. Ad valorem equivalent tariffs are calculated as the duty-to-import ratio.*

Source: *Authors' calculations based on data from the U.S. Census Bureau.*

Trading Places

Mexico is now United States' top trade partner, followed by Canada and China.



Note: *Data is for goods only. All data is annual and through 2023. Total trade is the sum of exports and imports.*

Source: *Calculations based on U.S. Census Bureau. Kripa Jayaram • Oct. 17, 2024 | REUTERS.*

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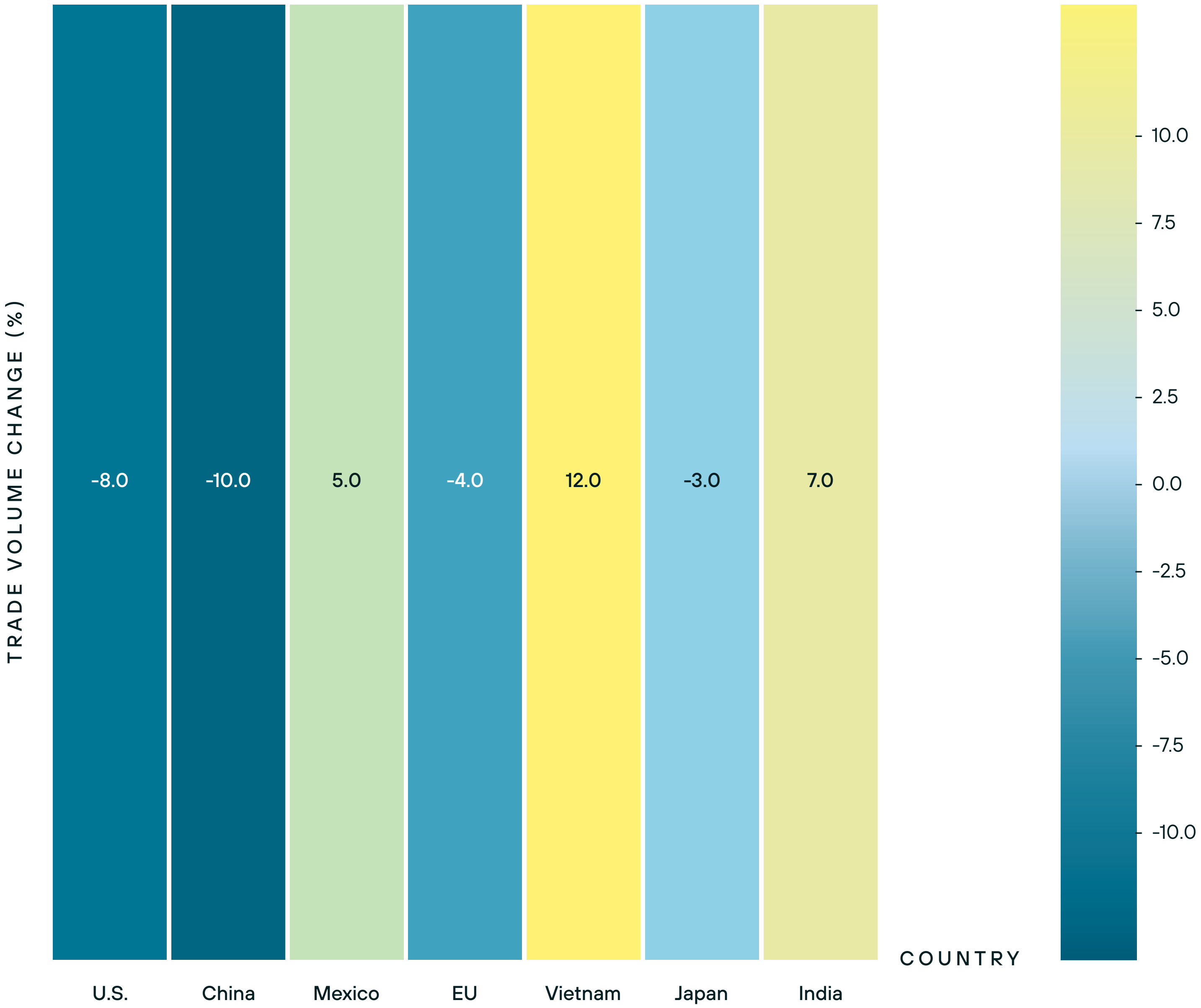
Contraction In U.S. Exports To Canada

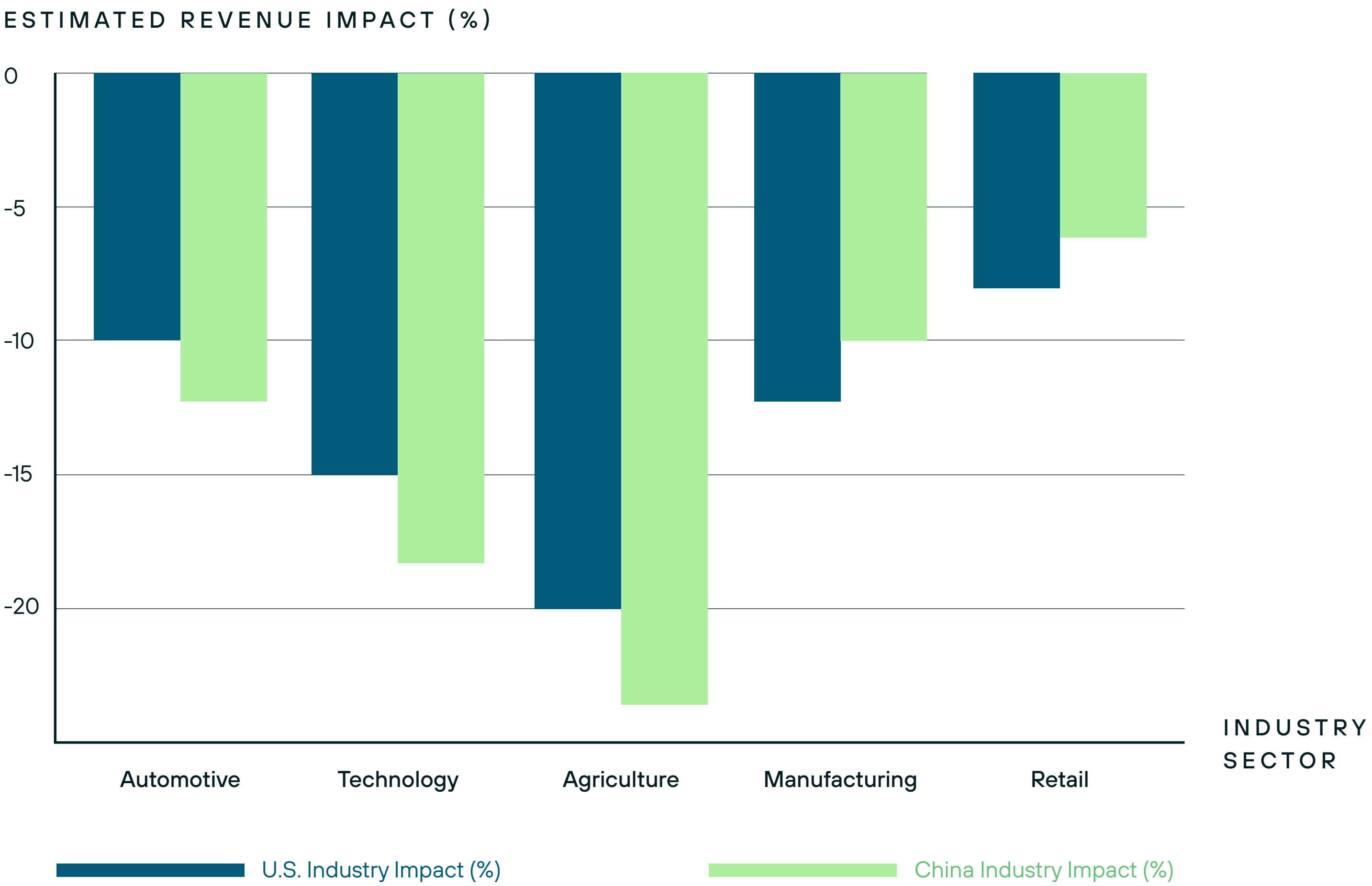
Sector	With U.S. 25% tariff	With 25% retaliatory tariffs by Canada and Mexico
Mining	-59%	-97%
Lumber	-26%	-72%
Motor vehicles	-25%	-55%
Refined petroleum	-22%	-53%
Ferrous metals	-22%	-78%
Non-metallic mineral products	-21%	-63%
Other transport	-18%	-79%
Non-ferrous metals	-16%	-78%
Other manufacturing	-15%	-67%
Electronic equipment	-14%	-68%

Source: *Author's calculations.*

GLOBAL TRADE VOLUME CHANGES DUE TO TRADE WAR 2.0 (2025)



SECTORAL IMPACT OF TRADE WAR 2.0 (2025)



Sources & Citations For Visual Data Not Sourced On Image

1. **U.S. Trade Representative (USTR):** Trade war policy updates and tariff escalation data. https://ustr.gov
2. **Peterson Institute for International Economics (PIIE):** Analysis on trade war impact on tariffs and trade flows. https://www.piie.com
3. **Brookings Institution:** Research on economic impact across industries. https://www.brookings.edu
4. **World Trade Organization (WTO):** Global trade volume impact due to tariffs. https://www.wto.org
5. **U.S. Census Bureau:** Data on shifting import sources (China, Mexico, ASEAN). https://www.census.gov/foreign-trade
6. **IMF/World Bank Reports:** Macroeconomic impact of tariffs on GDP growth. https://www.imf.org
7. **Market Analysts (Bloomberg, Reuters, JPMorgan):** Stock market and multinational company impact. https://www.reuters.com

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