Editorial: Trump and tariffs: a commentary

Journal of Business and Socio-economic Development

The world is not the same place as it was 20 years ago, and we are not just talking about COVID or the global financial crisis; we are observing one crisis after another. Let us take a step back and consider what the worst thing we were preparing for was even 5–10 years ago. The simple answer is Brexit; the world was worried about it after the global financial crisis, wondering whether it would divide the world's economic system into two parts. However, COVID changed everything. It began as a health crisis but soon became a global financial disaster (Borri and Di Giorgio, 2022). The pandemic has revealed to the world the limits of the global financial ecosystem, as most countries depend on global supply chains to maintain their supply of goods and services for their national residents. However, this pandemic has completely obstructed these supply chains, putting significant pressure on policymakers to understand this new ideology of obstacles in the global supply chain. Interestingly, when the policymakers thought that the damage from COVID was about to end, a series of geopolitical crises emerged, whose characteristics are very different from what we have seen. These crises not only impacted one geopolitical region but also accelerated the negative impacts on the global financial ecosystem. Donald J. Trump became the new president of the United States, bringing a new tariff policy. As we all believe, this policy is rooted in an ideology of making America great again, which can be defined as economic nationalism. In this editorial, we will examine the impact of this tariff and how it will change the entire global financial order.

The US trade and financial market is no stranger to global risk (Choudhury, 2025) given that this world is built upon the whole idea of free trade. Interestingly, this idea of free trade originated from the US and its love for freedom. This is why the US has always been the leader of the free world, not only from a scientific point of view but also from an economic perspective. They are the architects of the modern globalized economy; however, this will change significantly under the new president of the United States. As he came into power, he made it clear that he intended to use the US's economic superiority through trade tariffs as a negotiating tool to become a better version of themselves. This tactic of economic leverage not only has local impacts for the US, but it also has significant global implications for the rest of the world. We must remember he came to power by securing both houses and the popular vote, which was his promise to his supporters when they voted for him. Therefore, he needs to act on what he has promised. He has moved away from the traditional free market to endorse a more US-based production model as promised. If we consider his career as a successful businessman, one key aspect he has brought with him is his experience as a successful negotiator, using tariffs as a tool to push the US economy for a better deal. These tariffs are not being advertised as a negotiating tool but as part of his grand ideology of America First, where his slogan was "Make America Great Again." The slogan underscores the president's commitment to working in his second term. The slogan changes the fundamental philosophy of US trade policy: to be a global leader and the ultimate global superpower.

Now, in theory, this strategy should have a short-term dual impact. First, it will enhance the trend by forcing other countries to buy more U.S. products, automatically impacting domestic production. At the same time, because of the tariff, most U.S. citizens will be interested in

Journal of Business and Socio-economic Development
Vol. 5 No. 4, 2025
pp. 313-314
Emerald Publishing Limited
e-ISSN: 2635-1692
p-ISSN: 2635-1374
DOI 10.1108/JBSED-10-2025-322

buying domestically produced products because of the trade barrier. Over time, the true nature of these tariffs will become much clearer. As previously discussed, they are an experienced businessman's strategic negotiation tool. We have already seen a significant impact from this tariff, as most of the US trading partners have been forced back to the negotiation table to secure a better deal with you to protect their exports to the US. In this scenario, the president has maintained control over the narrative of the situation.

In the current market, American consumers have already begun to see the real impact of this tariff. The tariff has disproportionately affected the poorer segments of the country, where they have been significantly impacted by the higher costs of products imported from China in bulk or at cheap rates. This will affect them, as many in this portion of the country must spend more money to buy their day-to-day necessities. American businesses relying on imported raw materials will face higher costs but may benefit from cheaper locally produced goods. However, transitioning to domestic suppliers may prove challenging for industries that have built complex global supply chains over decades. Retaliatory tariffs from other countries could further raise prices and reduce US trade with those nations.

Let us discuss this tariff from a global perspective. This tariff has already changed the global economy. It is forcing the interconnectedness of the US with other international economies into a more tenuous situation. The bilateral relationship between the US and other countries also suffers due to this tariff. However, we must remember that the US alone cannot survive. A good example of this relationship is the US relationship with China. This relationship between the USA and China is similar to that of Superman and Lex Luthor; they are each other's most prominent competitors but cannot survive without each other. This barrier has significantly damaged their trade relationship and political initiatives, which will eventually impact their global economic leadership.

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