

Opinion **US trade**

Your guide to how to dodge a tariff

As Trump prepares to return to the White House, it might be time to dust off that soyabean cookbook

SOUMAYA KEYNES



The experience of Donald Trump's first term was that retaliation led to escalation © Ann Kiernan

Soumaya Keynes 8 HOURS AGO

With Donald Trump poised to return to the White House, my old trade contacts are split into two camps: those who are secretly delighted to be relevant again; and those who are already weary of the incoming “trade experts” whose main qualification is that they once read some [Ricardo](#). For those fresh enough to fall into neither group, here is a short guide to the years ahead.

Part one is for the executives terrified of tariffs. Your first task is to get as much stuff into the country as you can before the axe comes down. During Trump's first term many importers did not manage this, perhaps believing that the president would change his mind, or limited by the expense of storing stuff for months. This time, get creative. Could your in-laws' boathouse hold a few thousand cases of French wine?

Meanwhile, it's time to put yourselves at the mercy of bureaucrats operating the horrifyingly opaque tariff exclusion process. Maybe also take up breathing exercises or sniff some lavender to calm your nerves, as your chances of success are pretty low. Last time the Trump administration only excluded about [4 per cent](#) of imports from China that were supposed to be covered with tariffs.

Washington-based lobbyists will doubtless be lining up to help. Awkwardly, evidence that they can is murky. One [study](#) found that firms hiring lobbyists were less likely to have steel tariff exemptions approved, though it could also be that those with weaker

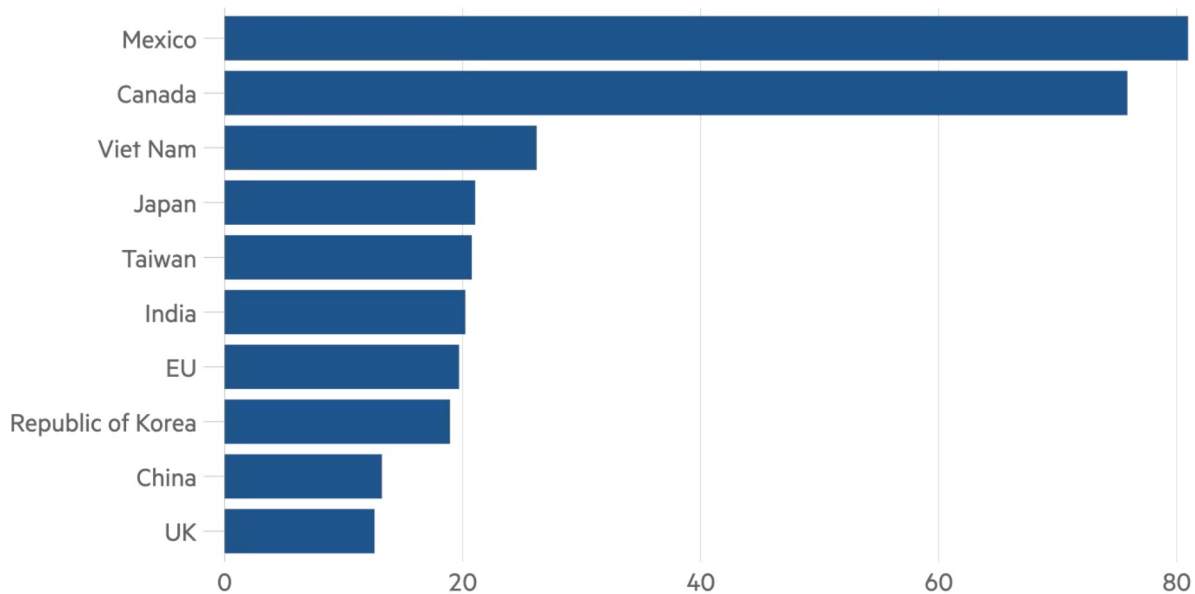
have steel tariff exemptions approved, though it could also be that those with weaker cases were keener to hire in help. Another [working paper](#) found that companies making Republican election campaign contributions saw more success. If you do have a time machine handy, fire it up.

Other tactics include moving your production into America, an option that *definitely* won't have occurred to you before. Or you could renegotiate contracts with your suppliers to make them bear some of the cost, though shareholders might not appreciate this if they are part of the same company. (About half of America's imports by value flow between related parties.) Or you could rely on famously reliable exchange rate movements to shift in your favour.

Part two of this guide is for governments. You must persuade President Trump that his love of deals should override his love of tariffs. Mexicans and Canadians could rebrand their trade deal with America (again). The European Commission should start thinking of American stuff to buy. Soyabean pizza? Divine. Coq au soyabean? Delicious. Soyawurst? Fantastisch!

Losing America's import demand would hurt

Share of total goods exports flowing to USA in 2023, per cent



Source: ITC Trade Map

If you don't fancy splashing cash on commodities you don't really want, you could offer to buy stuff that would have been bought anyway. Weapons could work, or [LNG](#). Or as inspiration, note that the top 10 fastest-growing categories of imports into America between 2022 and 2023 included lead products, aircraft and spacecraft parts and stuff made of straw.

You could always just [fail to follow through](#), like China did after agreeing its “Phase 1 deal” with Trump at the beginning of 2020. You will have to think of an excuse (the Chinese had the pandemic). Like “an alien invasion”, or “the dog ate the imports”.

Other enticements you could dangle include restrictions on trade and investment with China, though watch out for the eye-rolling that will come with any mention of “multilateralism” and “working with allies”. And be aware that the Chinese are more than capable of retaliation too.

If that fails, you could resort to threats. European officials are already [working](#) on a list of products to thwack with retaliatory tariffs, while American farmers should watch out for demand from China — their largest single buyer — drying up. Or the authorities might watch Tesla, helmed by Trump’s pal Elon Musk. Nice electric vehicle market you’ve got there — shame if something were to happen to it.

Any threats should be deployed with care. The experience of Trump’s first term was that retaliation led to escalation. And although the retaliatory tariffs last time cost American jobs, [they didn’t](#) noticeably dent Trump’s support in 2020’s election. Even if they had, there is the complication that Trump shouldn’t be running for re-election this time.

There is a third option. Governments could try to placate the likes of Robert Lighthizer, who sees America’s large trade deficit as evidence of [victimhood](#), and other countries’ trade surpluses as evidence of aggression. Those solidly in the latter category (Germany, China) could consider radical economic reforms, like intervening in currency markets to strengthen their currencies relative to the dollar, or scrapping subsidies and stimulating consumption. Easy.

soumaya.keynes@ft.com

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