

**Trump tariffs**

**US trading partners warn of  
retaliation against Donald  
Trump's 25% car tariffs**



Carmakers' shares drop as Asian, European and  
North American countries respond to US  
president's latest measures

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Asian, European and North American countries have put Donald Trump on notice of possible retaliation against his 25 per cent car tariffs, threatening to ignite a full-blown global trade war.

Japan's Prime Minister Shigeru Ishiba said "every option" was under consideration and South Korea promised an emergency response after the US president announced the tariffs would [go into effect on April 2](#), when Washington is also expected to apply a range of reciprocal tariffs against America's trading partners.

The car tariffs are [Trump](#)'s most aggressive trade policy move to date and hit shares in carmakers from Toyota to Stellantis to Porsche.

Carmaker shares dropped around the globe. General Motors closed down 7.36 per cent in New York on Thursday, while Ford fell 3.88 per cent.

In Europe, shares in Stellantis, the owner of the Fiat, Peugeot and Chrysler brands, dropped 4.23 per cent, Porsche dipped 2.4 per cent and Volkswagen fell 1.5 per cent.

"We need to think about the best option for Japan's national interest," Ishiba told the country's parliament on Thursday. "We are considering every option in order to reach the most appropriate response."

Industry executives warned Asian and European carmakers would be among the hardest hit. Luxury brands, such as Jaguar Land Rover and Aston Martin, are also exposed, because they do not make cars in the US.

With \$40bn of car sales to the US in 2024, [Japan](#) is the second-largest exporter of finished vehicles to the country after Mexico, where Japanese companies are the dominant manufacturers.

As countries across the world prepared for a deadline less than a week away,

Ursula von der Leyen, president of the European Commission, said the bloc planned on “safeguarding its economic interests” while seeking a negotiated solution to the dispute.

French finance minister Eric Lombard attacked the US for “completely shifting its economic policy in a very aggressive manner”, harming both regions’ economies.

“The only solution for the EU will be to raise its own tariffs on American products,” he added, telling France Inter radio that Brussels was working on a list of targeted products.

By contrast, President Claudia Sheinbaum of Mexico, the biggest car exporter to the US, said her country was seeking to retain preferential treatment in talks with the Trump administration.

“The only solution for the EU will be to raise its own tariffs on American products,”

"We are the only country that has this level of communication with the US government," she said, adding that Mexico would give a more complete response when the fuller range of Trump's tariffs — including reciprocal duties — is unveiled next week.

Sheinbaum's government says that, under new rules set out by the White House, tariffs on imported Mexican cars may be discounted because of their high US content.

In the UK, chancellor Rachel Reeves signalled the British government had no plans to retaliate, saying it was not in a "position where we want to do anything to escalate these trade wars".

Canada's Prime Minister Mark Carney had earlier denounced what he described as "a direct attack" on auto sector workers.

But Trump gave no sign of backing down.

"If the European Union works with Canada in order to do economic harm to the USA, large scale Tariffs, far larger than currently planned, will be placed on them both," he posted on his Truth Social network early on Thursday.

**"FOR YEARS WE HAVE BEEN RIPPED OFF BY VIRTUALLY EVERY COUNTRY IN THE WORLD, BOTH FRIEND AND FOE. BUT THOSE DAYS ARE OVER — AMERICA FIRST!!!"**

European car-part manufacturers were also hit, with France's Valeo down 7.7 per cent.

The White House's decision to impose duties on imported car parts as well as completed vehicles would inflict further damage, analysts said. Almost half of vehicles sold in the US are imported, and cars assembled in the US contain nearly 60 per cent foreign-sourced parts, according to research from Bernstein.

Trump has said the steep tariffs will convince foreign companies to make more of their cars in the US, boosting the country's manufacturing industry.

Sigrid de Vries, director-general of European car industry body Acea, urged Trump to "consider the negative impact of tariffs not only on global automakers but on US domestic manufacturing as well".

European manufacturers export up to 60 per cent of the vehicles they make in the US, according to Acea.

*Additional reporting by Kana Inagaki and Mari Novak in London, Christine Murray in Mexico City and Anne-Sylvaine Chassany in Berlin; data visualisation by Alan Smith*

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