

Trump tariffs**Trump administration slaps 25% tariff on Brazil as ties deteriorate**

Levy is part of a deepening rift between Washington and Brasília ahead of South American presidential election



A senior US official said the administration had been 'trying for well over a year' to negotiate with the Brazilian government © Dreamstime.com

Michael Pooler in Brasília and **Aime Williams** in Washington

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The Trump administration has slapped a new 25 per cent tariff on imports from Brazil, as a deepening rift in bilateral relations looms over upcoming elections in the South American nation.

The US Trade Representative announced the action late on Wednesday, alleging unfair trade practices in areas including electronic payments, the ethanol market, intellectual property, anti-corruption enforcement and environmental protection.

The tariffs would take effect later this month, said a US official. Items that will be affected include wood, machinery and corn ethanol, according to experts.

“Brazil’s unfair trading practices have prevented US workers and producers from accessing this important market with over 210mn consumers,” said US Trade Representative Jamieson Greer. “Extensive negotiations with Brazil over the past year have not resolved these issues.”

The measure included considerable exemptions for goods that the US does not widely produce or relies on Brazil for, such as beef, coffee, orange juice and aircraft parts, as Washington tries to clamp down on a growing affordability problem ahead of November’s midterm elections.

Secretary of state Marco Rubio accused Brazil’s leftwing President Luiz Inácio Lula da Silva of not negotiating “in good faith”.

“His economic policies are bad for Americans and bad for Brazilians. For the past year, Lula has put his own ego ahead of making a deal for the welfare of the Brazilian people, and these tariffs are the price for that,” he wrote on X.

Brazil’s government said there was “no justification” for the “unilateral measures”. It pledged reciprocal action and to pursue the dispute at the World Trade Organization.

“Brazil does not recognise the legitimacy of investigations without a basis in the multilateral rules of trade. Despite this, we have never left the negotiating table to defend national interests,” it said.

The levy relies on Section 301 of the Trade Act of 1974, which allows the White House to open investigations into the practices of trading partners. The Trump administration is expected to unveil a series of Section 301 tariffs in the coming weeks as it seeks to rebuild the duties on imported goods that were struck down by the US Supreme Court earlier this year.

At a time when President Donald Trump is seeking to reassert US influence across Latin America, Brasília views the grievances as motivated by politics rather than commerce.

It had previously said about one-fifth of the country’s \$37.7bn of annual exports to the US would be affected by the duty, which was first proposed by the USTR last month alongside the findings of a nearly year-long probe.

The import tax is the latest in a series of US measures against Brazil that have fuelled diplomatic tensions between the two largest democracies in the Americas.

Flávio Bolsonaro, son of jailed former president Jair Bolsonaro, met President Donald Trump in Washington © Flávio Bolsonaro/Instagram

Washington recently labelled a pair of Brazilian drug-trafficking gangs as foreign terrorist organisations, in the face of opposition from Brasília, which has warned that it could lead to US military intervention.

Lula's supporters fear the hardening US position could escalate into interference in October's election. The veteran leftist has accused his main challenger, rightwing senator Flávio Bolsonaro, of helping bring about the 25 per cent tariff.

The son of jailed ex-president and Trump ally Jair Bolsonaro met the American leader in the Oval Office days before the USTR recommended the duty. Flávio Bolsonaro has denied the charges and urged Washington to hold off imposing tariffs before the ballot.

The development has undermined a rapprochement that was under way after Trump imposed a 50 per cent tariff on Brazil last year in a failed attempt to get a prosecution dropped against Jair Bolsonaro.

Brazilian diplomats believe the worsening of relations reflects the ascendancy of hawks in the state department and lobbying by “Bolsonaristas”, who claim the ex-president is the victim of a political witch-hunt.

The USTR’s allegations of unreasonable or discriminatory policies include [Brazil’s free instant payments service](#). Washington claimed it was harmful to US credit and debit card companies.

A senior administration official said the US had also found that Brazil was offering lower tariffs to India and Mexico than it was to the US. The official said this was “not consistent” with Brazil’s international obligations.

Brazil argued to the USTR that these so-called preferential tariffs were in line with WTO rules.

The agency also criticised anti-corruption enforcement and actions to combat illegal deforestation, which soared under Jair Bolsonaro and has fallen significantly under Lula.

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