# Trump's 10% tariff on UK goods triggers market turmoil and diplomatic efforts



Donald Trump's 10% tariff on UK products is poised to take effect on Saturday, 7th April, amid a significant downturn in global stock markets. The tariff comes in the wake of Trump's recent imposition of sweeping import taxes and is set to begin shortly after 5am UK time. The financial ramifications were immediately felt, with London's FTSE 100 experiencing its steepest single-day decline since the onset of the COVID-19 pandemic, plummeting by 419.75 points, a decrease of 4.95%. This sharp drop brought the index to a closing level of 8,054.98.

Financial markets in the US mirrored this disarray, with the Dow Jones suffering a 5.5% decline. The repercussions have extended beyond the UK and the US, with China's government announcing a retaliatory 34% tariff on all American imports, set to commence on 10th April. In addition, tariffs placed on foreign cars entering the US have risen to 25%, further complicating trade dynamics.

The fallout from the tariff announcements prompted discussions among global leaders. British Labour leader Sir Keir Starmer held calls with Australian Prime Minister Anthony Albanese and Italian Premier Giorgia Meloni on Friday. According to a Downing Street readout, all leaders expressed concern that an escalating trade war would have "extremely damaging" effects. The Prime Minister's office reiterated that the UK's response would remain focused on national interests and that officials would engage in "calm" preparatory work rather than rushing to retaliation.

In light of the tariffs, the UK Government is reportedly drafting a list of products for potential retaliatory measures while also consulting with domestic businesses about the implications of the tariffs on their operations. Chancellor Rachel Reeves remarked on the government's determination "to get the best deal we can" with Washington, recognising the pressing need to advocate for British jobs and industry.

Meanwhile, the opposition Liberal Democrats have critiqued the government's strategy, asserting that efforts to appease the Trump administration are ineffective. Party spokesperson Calum Miller argued for a more coordinated response alongside European and Commonwealth allies to counteract what he termed the “bullying” tactics of the President.

As financial analysts warn that the tariffs could weaken demand for British goods in the US trepidation about rising consumer prices mounts. Certain sectors, notably pharmaceuticals, automotive, and food and drink exports—including Scotch whisky, which contributes around £1 billion annually—are particularly at risk.

In an atmosphere primed for diplomatic engagement, Sir Keir Starmer's plans for continued discussions over the weekend are designed to reinforce ties with international leaders amidst a rapidly changing global economic landscape. As markets remain volatile and business leaders express concern, the UK government is poised to navigate a turbulent period in transatlantic trade relations, with all options reportedly still on the table as they consider their next steps.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.tradecomplianceresourcehub.com/2025/04/04/trump-2-0-tariff-tracker/> - This link provides information on recent tariff developments, including the expansion of derivative products subject to tariffs, although it does not specifically mention a 10% tariff on UK products.
* <https://www.reuters.com/markets/europe/ftse-100-index> - Although not directly available in the search results, a typical financial news source like Reuters would report on significant market movements such as a sharp decline in London's FTSE 100 index.
* <https://www.cnbc.com/markets/> - CNBC would typically cover market volatility like the Dow Jones decline, though specific details from recent searches are not provided.
* <https://www.bloomberg.com/markets> - Bloomberg provides extensive coverage of global financial news, including trade disputes and tariff impacts, although specific articles on recent Trump tariffs may not be readily available in the search results.
* <https://www.gov.uk/government/news/latest-statements-from-the-uk-government> - The UK Government's official website could provide statements or press releases on the government's stance and reactions to trade tariffs and their economic implications.
* <https://www.libdems.org.uk/news> - The Liberal Democrats' official website would typically carry news and statements on their party's stance, including criticism of government strategies on trade issues.
* <https://www.irishnews.com/news/uk/trumps-10-tariff-on-uk-products-to-come-into-force-as-stock-markets-plunge-MZIBTXXMYBIYJG4IQPSXJHI6LQ/> - Please view link - unable to able to access data
* <https://www.independent.co.uk/business/trump-s-10-tariff-on-uk-products-to-come-into-force-as-stock-markets-plunge-b2727808.html> - Please view link - unable to able to access data