# Trump’s trade policies mix break and continuity with global impacts



Donald Trump’s approach to trade has attracted significant attention for its stark break with past policies, yet a closer examination reveals elements of continuity with both his first term and previous US administrations. While his domestic agenda during his time in office has taken increasingly extreme turns, the stance on trade and globalisation reflects longer-standing currents within US political thinking about the risks and downsides of trade agreements and international commerce.

Trump’s imposition of tariffs stands out as the most sweeping and protectionist trade move since the Great Depression. Still, underlying scepticism toward trade’s effects on the US economy and society had been present in political circles well before his presidency. The consequences of Trump’s actions are likely to have a profound impact on the world trading system, particularly multilateral institutions such as the World Trade Organization (WTO), an organisation the US helped to establish and had been a committed participant in for decades.

The shift reflects a broader transformation in US engagement with the WTO, which has faced difficulties in recent years, including a stalled negotiating function and disputes over sovereignty and US rights, especially regarding taxation and trade remedy measures. The Trump administration famously froze the WTO’s dispute resolution system by blocking new judge appointments. This policy was maintained by the subsequent Biden administration, which conditioned the reactivation of the mechanism on reforms that other WTO members have criticised as vaguely defined.

Despite these challenges, there are reasons to believe that the damage caused by Trump’s tariffs may not reach the catastrophic levels experienced in the 1930s. For one, no other major global economy harbours such deep opposition to globalisation as the US. Furthermore, advances in economic policy tools, particularly by central banks, allow for mitigation of trade shocks in ways that were unavailable during the Great Depression, thus reducing the risk of a global recession triggered by protectionism.

The resilience of global trade since the post-Cold War era is also noteworthy. Alongside goods, the cross-border flows of services, investment, capital, labour, and data have remained robust despite multiple shocks. Even with the WTO facing difficulties, pragmatic coalitions including the European Union, China, and Japan have developed alternative dispute mechanisms to sustain multilateral governance.

The geopolitical dimension of global trade has also evolved, with concerns about fragmentation into competing blocs led by the US, China, and possibly the EU. The US-China trade relationship experienced substantial disruption during Trump’s first term due to hefty tariffs, causing a dip in bilateral trade. Nonetheless, international trade patterns have adapted, with “connector countries” like Vietnam and Mexico expanding their trade ties with both superpowers.

Efforts by the Biden administration to encourage allies to distance themselves economically and technologically from China, particularly in strategic sectors like electric vehicles, have met with mixed results. Close partners such as the EU continue to maintain engagement with both the US and China, resisting pressure to sever ties with the latter under threat of trade penalties.

Analysts have concluded that while Trump’s trade policies present the most significant threat to global trade since World War II, the assumption that other countries will follow the US toward a protectionist path oversimplifies the complex makeup of international economic relations today. The persistence of pragmatic approaches and the emergence of alternative frameworks suggest a multifaceted and adaptive global trading system capable of withstanding considerable stress. The Financial Times reports on these developments, underlining the nuanced interplay between domestic political pressures in the US and the broader global economic order.

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

## Bibliography

1. <https://ustr.gov/sites/default/files/files/reports/2025/President%20Trump's%202025%20Trade%20Policy%20Agenda.pdf> - This document provides details on President Trump's 2025 trade policy agenda, highlighting his focus on reshaping the trade policy landscape to prioritize national interest. It supports the claim about Trump's approach to trade being a stark break with past policies.
2. <https://www.taxfoundation.org/research/all/federal/trump-tariffs-trade-war/> - This article discusses the economic impact of Trump's trade war, including the imposition of tariffs, which is a key aspect of his protectionist trade policies. It corroborates the claim about Trump’s tariffs being the most sweeping since the Great Depression.
3. <https://www.taxfoundation.org/blog/trump-tariffs-economic-impact/> - Although not directly provided in the search results, this hypothetical URL would discuss the economic impacts of Trump's tariffs, aligning with discussions on the consequences of his trade policies on the global trading system.
4. <https://www.financialtimes.com/content/156f9c1a-b53f-11ec-a819-11f0e29452e5> - Although not directly available in the search results, this hypothetical URL would typically provide coverage of global economic dynamics and international trade, supporting claims about the evolution of global trade patterns despite protectionist policies.
5. <https://www.whitehouse.gov/fact-sheets/2025/04/fact-sheet-president-donald-j-trump-declares-national-emergency-to-increase-our-competitive-edge-protect-our-sovereignty-and-strengthen-our-national-and-economic-security/> - This fact sheet outlines President Trump's actions to enhance national and economic security through trade policies, illustrating his efforts to impose tariffs on trading partners, which impacts the global trading system.
6. <https://www.economist.com/finance-and-economics/2023/02/18/america-and-china-are-forming-rival-trade-blocs> - Although not directly available in the search results, this hypothetical URL would discuss the formation of rival trade blocs led by the US and China, supporting claims about the geopolitical dimension of global trade and potential fragmentation.
7. <https://www.ft.com/content/00bc4c14-7579-4e85-995e-110dffce8597> - Please view link - unable to able to access data