# Keir Starmer prepares for crucial trade discussions amid US tariffs



This weekend, Sir Keir Starmer, the Prime Minister of the United Kingdom, is set to engage in a series of discussions with global leaders amid significant turmoil in the international markets that has followed the imposition of tariffs by US President Donald Trump. These tariffs, which are to come into effect on Saturday, will impose a 10% tax on British goods entering the US, marking a major shift in global trade dynamics.

Downing Street expressed its disappointment regarding the tariff announcement, directly contradicting President Trump's assertion that the Prime Minister was "very happy" about Britain's tariff treatment. A spokesperson from Number 10 stated, “We’re disappointed by the tariffs that have been brought in,” indicating a strong awareness of the economic repercussions that these new measures could have both domestically and globally.

Foreign Secretary David Lammy conveyed the concerns of many Britons about the potential impact of the tariffs on personal finances, describing it as a “return to protectionism” not seen in nearly a century. Speaking to reporters, Lammy emphasised that “all options” remain on the table as the UK government works to safeguard the interests of the British public through ongoing negotiations with the US.

The London Stock Exchange faced severe pressure this week, notably with the FTSE 100 index experiencing its largest drop since the outset of the pandemic, plunging nearly 5% on Friday alone. This downturn came in response to market reactions following Trump’s tariff announcements and China's retaliatory 34% tariff on US imports. The international financial landscape has become increasingly volatile, with concerns about the broader implications for economic growth across various nations.

In an effort to mitigate the fallout, Sir Keir Starmer has held discussions with leaders from Australia and Italy, stressing the importance of maintaining strong relationships among like-minded nations during this tumultuous period. He described the situation as a clear indication of a “new era” in world trade that necessitates careful navigation and strategy.

As the government continues to strategise, officials have compiled an "indicative list" of products that could be subject to retaliatory tariffs in response to the US measures. Goods under consideration include bourbon whiskey, motorcycles, and various consumer electronics. Trade Secretary Jonathan Reynolds confirmed that a four-week consultation period on countermeasures will take place, suggesting that any immediate response would be carefully structured.

Amid these developments, economists have projected that UK economic growth, already forecasted at a modest 1% for the year, could be reduced by up to 0.5 percentage points due to the tariffs. Thomas Pugh, from RSM UK, noted that the impact of the tariffs could jeopardise Chancellor Rachel Reeves’s fiscal headroom ahead of her upcoming budget, potentially forcing difficult decisions around public spending or tax adjustments.

The week saw a flurry of diplomatic activity and speculation, with Sir Keir making it clear that while the government respects the necessity for dialogue and negotiation, it will also defend national interests assertively. The conversations with international leaders over the weekend aim to unify approaches toward navigating the challenges posed by Trump's trade policies while striving for an economic agreement that would benefit the UK.

As discussions unfold and all options remain on the table, the UK government appears committed to both mitigating the impact of the tariffs and pursuing a trade framework that aligns with its economic strategies moving forward.

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