# Trump's administration to impose 10% tariff on UK goods amid market turbulence



Donald Trump's administration is set to implement a 10% tariff on goods imported from the United Kingdom starting on Saturday, following a week of significant economic turbulence in global markets. The new tariff on UK products follows an announcement made by Trump during a press conference held at the White House on Wednesday, which has led to a notable downturn in international stock exchanges.

On Friday, the FTSE 100 index experienced its steepest drop since the onset of the COVID-19 pandemic, closing down by 419.75 points, or 4.95%, at 8,054.98. This decline marks the worst single-day performance since March 2020, when the index saw a loss of over 600 points. In a parallel reaction in the United States, the Dow Jones Industrial Average fell by 5.5% on the same day, particularly as China indicated it would match the tariff rates initiated by the US.

The tariffs, which will take effect shortly after 5 am UK time, represent a baseline level of taxation imposed on imported goods. The situation is further complicated as other nations are expected to face even higher tariff rates soon; for instance, the European Union is set to experience a 20% tariff, while a 25% tariff on all foreign cars entering the US was enacted earlier in the week.

In response to the escalating trade tensions, UK Labour leader Sir Keir Starmer has initiated discussions with various foreign leaders, including Australian Prime Minister Anthony Albanese and Italian Premier Giorgia Meloni. Following their conversations, Downing Street conveyed that all leaders concurred that a full-scale trade war would be “extremely damaging.” A spokesperson for the UK Prime Minister stated, “the UK’s response will be guided by the national interest,” emphasising a calm and measured approach rather than a hasty counteraction.

Starmer is expected to continue these diplomatic conversations, seeking alliances and potential support among international counterparts throughout the weekend. Meanwhile, UK ministers have maintained a cautious stance towards Trump, focusing on securing a comprehensive trade agreement that could mitigate some of the imposed tariffs. The Government is reportedly drafting a list of products that might face retaliatory measures and is actively consulting businesses on the potential impacts of proposed counteractions.

Chancellor Rachel Reeves articulated the Government's commitment to negotiate for a beneficial deal with Washington, stating, “we’re working hard as a government in discussion with our counterparts in the US to represent the British national interest and support British jobs and British industry.”

Opposition parties, notably the Liberal Democrats, have voiced criticism of the Government’s strategy. They contend that the current approach, which they describe as attempts to appease the US Administration, is ineffective. Calum Miller, a prominent member of the party, remarked, “the best way to end this crisis is to stand shoulder to shoulder with our European and Commonwealth friends,” advocating for a unified response to the challenges presented by the tariffs.

As the trade landscape continues to evolve, the ramifications of these tariffs on UK exports and the broader economic relationship between the United States and the UK remain to be fully realised.

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

## References

* <https://www.gov.wales/written-statement-us-tariffs> - This URL supports the claim that a 10% tariff will apply on imports into the US from the UK starting April 5, 2025, following President Trump's announcement.
* <https://www.gov.uk/government/speeches/statement-by-the-trade-secretary-on-us-tariffs> - This URL corroborates the imposition of a 10% reciprocal tariff on UK exports by the US and the ongoing trade negotiations between the UK and the US.
* <https://www.bloomberg.com/> - This URL would typically provide information on recent market fluctuations, including how international stock exchanges like the FTSE 100 and Dow Jones responded to the tariff announcements.
* <https://europa.eu/european-union/index_en> - This URL could provide background information on the EU's economic stance and potential reactions to the imposed tariffs, including the higher tariff rates they might face.
* <https://www.theguardian.com> - This URL might offer news articles detailing the reactions from UK political leaders, such as Sir Keir Starmer and opposition parties, to the US tariffs and the potential for international alliances.
* <https://cnbc.com/markets/> - This URL would typically cover market news, including the performance of indexes like the Dow Jones Industrial Average and global reactions to trade tensions.