# UK government responds to trade tensions and the end of globalisation



In response to escalating trade tensions, particularly following the United States' imposition of tariffs, UK Prime Minister Sir Keir Starmer and various government officials have contacted the public regarding necessary shifts in economic policy. The Prime Minister is set to deliver a significant address regarding these issues, with an expectation that he will declare the end of the era of globalisation as it has been known, attributing its failure to recent developments in international trade.

This transformation in economic policy is partly catalysed by the announcement from President Donald Trump of a 10% tariff on British imports into the US, which took effect over the weekend, alongside a 25% levy on foreign cars. The shockwaves from these tariffs were felt significantly in financial markets, with the FTSE 100 experiencing its worst trading day since the onset of the Covid-19 pandemic.

At the forefront of this government response, Chief Secretary to the Treasury Darren Jones highlighted the urgency for Britain to become "strong and resilient" and stressed the need for increased investment in the domestic economy. Speaking to BBC's "Sunday With Laura Kuenssberg", Jones stated, "Globalisation, as we've known it for the last number of decades, has come to an end," and he stressed the necessity for the UK to enhance relationships with other allies and partners globally while bolstering its local industries.

Sir Keir Starmer, in a recent article for the Sunday Telegraph, echoed similar sentiments by asserting that “the world as we knew it has gone.” He contended that the nation must embrace the current economic climate by cutting red tape to foster growth and competitiveness. In remarks anticipated during his upcoming speech, Starmer indicated the government will undertake emergency measures to support British businesses, particularly those adversely affected by the new tariffs.

The government is reportedly finalising various interventions from loosening regulations on electric vehicle manufacturers to expediting its industrial strategy. Chancellor Rachel Reeves is also expected to increase efforts for a trade deal with India, reinforcing the government’s shift towards forging new alliances in light of the shifting economic landscape.

Conservative leader Kemi Badenoch has offered a contrasting perspective, arguing against the notion that globalisation is over. She cited Britain’s strong trading relationships and the benefits derived from these arrangements, referring to recent events as mere "fragmentation" rather than a total end to globalisation. Badenoch indicated that the government should pursue the trade deal initially negotiated under former Prime Minister Boris Johnson and continue to leverage existing trading arrangements.

As discussions continue, the situation remains fluid, with the UK facing the impending reality of increased trade tariffs across various countries. Concerns are rising about the implications for the economy, as reflected in the recent trends observed in the stock market and the movements of major corporations, such as Jaguar Land Rover, which has announced a pause in shipments to the US.

Looking ahead, a coordinated government approach aims to weather the emerging challenges in the global economic environment, fostering a climate of resilience and support for British industry amidst these sweeping international changes.

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