

A Study on Tariff Rates War with All Countries in 2025

Dr. Sameer Mohammed Hussain Shaikh

(B.Com, M.Com, MBA-Finance, Phd JJTU)

Email id: smshaikh2010@gmail.com

Abstract

This study investigates the global landscape of tariff wars in 2025, focusing on unilateral and reciprocal tariff measures enacted predominantly by the United States under the second Trump administration and corresponding responses from nations across the world. It examines tariff levels, trade disruptions, economic consequences, and sectoral impacts—particularly on developing economies. Findings highlight that while protectionist policies aim to bolster domestic industries, retaliatory measures and judicial checks significantly limit net gains, with severe ramifications for global trade, supply chains, poverty, and sustainable development.

Keywords: Tariff war, trade policy, reciprocal tariffs, global trade, protectionism, economic impact, 2025.

I. Introduction

In 2025, the global trade landscape is witnessing escalating tensions marked by a widespread surge in tariff impositions—what many economists are calling a “tariff war.” This timely study, “A Study on Tariff Rates War with All Countries in 2025,” seeks to chart the contours of these protectionist trends and their multifaceted consequences. It begins by documenting tariff policies enacted around the world during 2025, offering a comprehensive catalogue of new duties, trade barriers, and sector specific levies introduced by both advanced and developing economies. Beyond documentation, the study delves into the economic and social impacts of these tariff shifts across diverse countries and industries. We will explore how elevated duties affect consumer prices, supply chains, employment levels, and income distribution—factors that cumulatively reshape access to goods, investment flows, and cost structures across sectors. Furthermore, we assess the practical outcomes of protectionist strategies such as import substitution tariffs, and how nations retaliating with counter tariffs are altering diplomatic and economic equilibria. In the face of such trade friction, this research aims to offer robust policy

recommendations. The goal is to guide policymakers toward achieving a pragmatic balance—one that shields domestic interests without undermining global economic welfare. By harmonizing protection when needed with openness where beneficial, countries can strive for sustainable growth, solidify international cooperation, and mitigate the risk of entrenched trade conflicts. Ultimately, this study aspires not only to chronicle a pivotal year of tariff turbulence but also to inform the design of trade policies that promote resilience, equity, and interconnected prosperity in an increasingly fragmented world.

II. Literature Review

- **Trump’s Second-Term Tariff Policies:** Average U.S. applied tariffs rose from ~2.5% to ~27%, settling at around 18.6% by August 2025.
- **Global Trade Forecasts:** WTO reduced global merchandise trade growth forecast for 2025 to -0.2% (versus prior +2.7%), projecting North American exports to decline sharply.
- **US–China Tariff Escalation:** Tariffs escalated up to 145%, followed by partial rollback in mid-June through negotiated reductions.
- **US–Canada/Mexico Tensions:** Near-universal 25% tariffs imposed on Canada and Mexico (10% on Canadian energy), with exemptions for USMCA-compliant goods; retaliatory measures followed.
- **Judicial Constraints:** In May 2025, U.S. court ruled Trump’s emergency-based tariffs exceeded legal authority—imposing a permanent injunction.
- **India’s Tariff Strategy & U.S. Penalties:** India proposed multi-year tariffs on steel (12% tapering to 11%) to curb Chinese imports; U.S. announced a 25% national security tariff on Indian goods due to oil trade with Russia.
- **Economic and Social Impacts:** UNCTAD and media estimate global GDP contraction, increased poverty, reduced education funding, slowed green initiatives, and trade diversion effects.

III. Objectives

- Document tariff policies enacted globally in 2025.
- Analyze economic and social impacts across countries and sectors.
- Assess effectiveness of protectionist strategies versus retaliation.

- Suggest policy recommendations for balancing trade protection with global welfare.

IV. Research Methodology

- **Data Collection:** Review of policy decrees, WTO and UNCTAD reports, court rulings, and academic analyses (e.g., arXiv papers on business formation effects and network trade flows).
- **Empirical Methods:** Econometric regression (for business formation), SVAR/DiD (for agriculture impact).
- **Comparative Analysis:** Cross-country tariff comparison and analysis of retaliation loops.
- **Case Studies:** In-depth on U.S.–China; U.S.–NAFTA; India’s safeguarding; WTO trade growth impact.

V. Tariff policies enacted globally in 2025

Global Overview

The year 2025 witnessed a dramatic escalation in global tariff activity. The WTO's mid-year Trade Monitoring Report indicates that tariff and other trade-related measures now impact 19.4% of world merchandise imports, a sharp rise from 12.5% at the end of 2024. The value of trade covered by new import restrictions since early 2025 exceeds US \$2.73 trillion—over triple the value from the previous 12-month period. This surge underscores the expanding scale and speed of economic protectionism worldwide.

Key Country and Regional Tariff Actions

United States

- **Reciprocal Tariff Doctrine:** Implemented in April 2025, this policy set a baseline 10% tariff on all imports, with significantly higher rates on specific nations—Vietnam (56%), Cambodia (59%), China (44%), EU (30%), and Japan (34%). This pushed the U.S. average tariff rate to its highest level since before World War I.
- **Executive Order 14245:** Signed March 24, it imposes a 25% tariff on goods imported from any country purchasing Venezuelan oil, giving U.S. agencies authority to enforce this measure.

- **Secondary Tariffs:** Under IEEPA authority, the U.S. began imposing secondary tariffs on countries trading with Venezuela, Iran, and potentially Russia—most notably a directive effective September 17 to levy an extra 25% tariff on Indian exports, penalizing India's imports of Russian oil.
- **Legal Pushback:** U.S. courts struck down the sweeping “Liberation Day” reciprocal tariffs in May, ruling that the president exceeded his authority under IEEPA. A permanent injunction halted their enforcement.
- **Congressional Oversight Efforts:** The Trade Review Act of 2025 was proposed to require presidential notification, justification, and congressional approval for any tariff beyond 60 days—part of a bipartisan effort to curb executive overreach.

U.S.–Canada–Mexico Triad

North American Trade War: Beginning February 1, the U.S. imposed 25% tariffs on all imports from Canada and Mexico (10% on energy-related goods). Canada immediately retaliated, while Mexico initially delayed but later imposed its own countermeasures. However, goods compliant with USMCA remain largely exempt (~85%) from tariffs.

Brazil–U.S. Tensions

- In April, the U.S. instituted a 10% tariff on Brazilian goods, escalating to 50% by August 1. Brazil retaliated with reciprocal tariffs and filed a WTO complaint, invoking its new Trade Reciprocity Law and associated decree.

European Union & UK

- The EU introduced reciprocal tariffs of around 20% on Chinese imports and 10% on U.S. goods, though it has refrained from full-scale retaliation to U.S. tariff increases.
- Sector-specific changes include EU adoption of a 10% anti-dumping rate on solar glass, raising earlier provisional duties from 7.5%.
- The EU also increased tariffs on EV battery components (to 7%) to nurture domestic manufacturing—part of a broader industrial policy push in the clean energy sector.

China

- China responded to U.S. tariffs with retaliatory duties of up to 125% on American goods. It also extended zero-tariff treatment to Least Developed Countries (LDCs) allied diplomatically, strengthening its global influence.

Russia

- In response to Western sanctions, Russia raised duties by 35–50% on imports from WTO or NATO-aligned countries, especially targeting industrial machinery, hygiene products, and packaged goods.

India

- India increased tariffs on electronics, textiles, and luxury items—particularly from China and South Korea—to bolster its “Make in India” initiative. Concurrently, it pursued free trade agreements regionally .
- Further, the U.S. has imposed secondary tariffs on Indian goods starting Sept. 17 as noted.

Latin America and Others

- Brazil raised tariffs on stainless steel pipe fittings from 14% to 20% (June 17), and imposed 5% duties on agricultural drones (June 23) to generate revenue and support domestic tech and infrastructure.
- Mexico increased tariffs on frozen pork offal from 15% to 25% as a countermeasure against EU trade safeguarding actions.
- Argentina upped luxury goods tariffs to 30%, specifically for automobiles and electronics.
- Chile, Australia, New Zealand made selective adjustments: Chile reduced duties on goods from FTA partners to zero; Australia imposed tariffs on aluminum beverage cans

(from 5% to 12%); New Zealand lowered agricultural import duties while maintaining high tariffs on luxury goods.

- In Africa, nations like South Africa (textiles to 20%), Nigeria (tech lowered to 5%), Kenya (fertilizers and equipment to 5%), and Ghana (mineral exports at 12%) tweaked tariffs for local industry support.
- Middle East movements include Iran raising tariffs on autos/electronics to 35%, while UAE maintained 15% on non-partner imports and expanded zero-tariff agreements.

Table 1

Region / Country	Tariff Highlights (2025)
United States	Reciprocal baseline + country surcharges; Venezuela secondary tariffs; legal challenges
Canada / Mexico	Subject of 25% U.S. tariffs; Canada retaliated; USMCA mitigations in place
Brazil	U.S. tariffs up to 50%; Brazilian retaliation + WTO dispute
EU / UK	Reciprocal tariffs on China/U.S.; anti-dumping solar glass; EV battery protections
China	125% retaliatory tariffs on U.S.; zero-tariff to LDCs
Russia	35–50% tariffs on imports from "unfriendly" nations
India	Tariffs on electronics/textiles; secondary U.S. tariffs; active FTAs

Latin America & Others	Sector-specific rates for drones, pork, luxury items, etc.
Africa / Middle East	Diverse sector adjustments to support local production

Final Insights

By mid-2025, tariffs had reshaped global trade—impacting a growing share of world merchandise and spanning multiple regions and sectors. Key features included:

- Broad-based U.S. protectionism, including novel secondary tariffs and judicial pushback.
- Widespread retaliatory and defensive adjustments, especially from major economies like China, India, Brazil, and the EU.
- Sector-focused policies aligned with green-industrial goals (e.g., solar, EVs, drones).
- Strain on global growth, with the WTO downgrading trade forecasts for 2026 due to persistent tariff pressures.

Together, these developments reflect a volatile trading environment in 2025—where economic and geopolitical imperatives are driving both fragmentation and strategic cooperation in global trade.

VI. Economic and social impacts across countries and sectors

Economic Impacts

1. Inflation & Consumer Prices

In the U.S., tariff measures have significantly contributed to rising inflation. Import prices climbed 0.4% in July, the biggest monthly rise in over a year. Year-over-year, consumer prices rose 2.7%, while core inflation (excluding food and energy) surpassed 3%. Projections suggest that tariffs could raise inflation further—to nearly 3.8% by year-end. Consumers are paying

more—analysts estimate average American households could incur up to \$2,400 in extra costs annually, driven by price hikes in items like clothing, groceries, and cars.

2. Sector- and Region-Specific Economic Effects

- **U.S. States:** A San Francisco Fed model projects uneven income changes across states by 2028: while heavily trade-integrated states like Texas, California, and Michigan face losses, less globally tied states (e.g., Colorado, Wyoming, Oklahoma) may experience modest gains. On net, U.S. real income is forecast to fall ~0.4%.
- **Global Welfare Loss:** Under scenarios combining full tariffs and retaliation, welfare losses reach up to 2% globally; for China, losses hover around 1.5%. The most disrupted sectors are those deeply integrated into global value chains—like electronics and transport equipment, where output declines sharply. By contrast, agriculture and rubber/plastics suffer less.
- **U.S. Agriculture & Manufacturing:** American agriculture and durable manufacturing are notably impacted by reduced output and employment, plus higher prices caused by tariffs and global retaliation.

3. Economic Growth & Markets

- **Macroeconomic Drag:** According to Reddit-summarized findings from Yale Budget Lab, these tariffs could lower U.S. real GDP growth by 0.6 percentage points in 2025, and shrink long-term GDP by 0.3–0.4%—equal to \$80–110 billion annually.
- **Financial Market Volatility:** Tariff announcements triggered significant stock market swings: for example, the Hang Seng plunged over 13%, Nikkei fell 8%, and India's Sensex and Nifty dropped ~3%, erasing ₹20 lakh crore in market value.
- **Trade Diversion & Fragmentation:** Business uncertainty has dampened investment. Trade diversion to third markets and the collapse of global supply chains heighten pressure and risk long-term inefficiencies.

4. Winners & Losers

- **Winners:** U.S. steel and aluminum producers, shielded by tariffs, can expand their domestic market share.
- **Losers:** U.S. automakers, electronics firms, and appliance makers—being heavily reliant on imported inputs—face rising costs and competitiveness issues. Export-oriented industries like agriculture also suffer due to retaliatory tariffs.

Social Impacts

1. Cost of Living & Household Burdens

Household expenditure is rising sharply. In both the U.S. and around the world, lower-income households are especially squeezed. Grocery costs have surged—by approximately 9.4% in the U.S.—exacerbating inequality. Supply chain disruptions in essential food items further strain household budgets.

2. Poverty, Education, and Development

- **Extreme Poverty:** The World Bank estimates up to 38 million more people may fall into extreme poverty by end-2025, especially in sub-Saharan Africa and Southeast Asia.
- **Education:** Countries like Brazil and South Africa have slashed education budgets by up to 8%, while India's National Digital Literacy Mission has seen a 12% shortfall in hardware deployment due to cost hikes.
- **Exports & Jobs:** Bangladesh's garment sector faces shrinking orders, threatening nearly two million jobs ([Hindustan Times][14]). Similarly, Latin American smallholder coffee and banana farmers are suffering income losses and rising food insecurity.

3. Disrupted Multilateral Cooperation

Retaliatory measures, like those against the EU's green policies, are eroding global environmental collaboration. China, India, and Indonesia, for example, have pushed back on the

EU's Carbon Border Adjustment Mechanism. As a result, green tech trade fell by around 17%, and sustainability programs in Brazil and Indonesia have been delayed.

4. Tourism & Mobility

U.S. tariffs and restrictive policies are expected to shave off \$25–29 billion in tourism revenue, driven by declining international arrivals. Additionally, student migrations are down—Australia and UK universities have seen a 15% drop in Chinese student enrolment, costing over \$2 billion.

Table 2

Impact Area	Economic Effects	Social Effects
Inflation & Prices	Higher retail costs, core inflation rising	Household burden, especially on low-income families
Real Income	State-level disparities—trade-linked states lose income	Regional inequality
Growth & Markets	GDP slowdown, investor volatility, reduced investment	Labor market friction, job risks
Sector Impacts	Winners (e.g., steel), losers (autos, electronics, exports)	Job losses, reduced access to goods and opportunities
Poverty & Education	Global poverty rise, constrained education budgets	Long-term development setbacks
Green Cooperation	Trade barriers weaken sustainability cooperation	Delayed climate programs, reduced green tech diffusion
Tourism & Mobility	Tourism losses, disrupted student migration	Community income loss, educational revenue hit

These findings reflect that the 2025 tariff wars catalyzed a wide range of economic disruptions—from fragile growth, inflation, and inequality to impeded development and environmental cooperation—underscoring the interconnected nature of contemporary global trade.

VII. Effectiveness of protectionist strategies versus retaliation

Evaluation of Protectionist Strategies

Short-Term Domestic Gains

Protectionist tariffs can provide immediate relief to targeted domestic industries. For instance, sectors like steel and aluminum benefit from reduced foreign competition and can boost local production. Modeling studies show that purely domestic output may increase, particularly in non-global value chain (GVC) sectors. However, this offset is often insufficient to counteract broader economic losses tied to trade dependencies.

Broader Economic Costs

Multiple studies highlight the detrimental macro effects of tariffs:

- EY-Parthenon suggests steep and sustained tariff levels could trigger stagflation, lower GDP by 1 percentage point in 2025 (and 1.4 percent in 2026), with greater losses if retaliation occurs.
- State Street finds that tariffs introduce cost inefficiencies, market distortions, and depressed growth, especially in economies with high trade dependence.
- Morgan Stanley warns prolonged tariffs could push the U.S. into recession: predicting GDP contraction of up to 2.2 percentage points and inflation rising 2 percentage points.

Long-Term Historical Context

Historically, tariffs have occasionally supported nascent industries, such as in the U.S. during the Gilded Age or in East Asia during industrial development. Yet, their success hinged on being part of broader industrial strategies, including investments in technology and infrastructure—rather than standalone protectionism.

Net Impact on Welfare

Empirical data shows that tariffs tend to reduce national welfare. A World Bank study and trade simulations consistently indicate that the costs to consumers typically outweigh the advantages enjoyed by producers, resulting in deadweight losses.

Retaliation: A Double-Edged Sword

Amplified Negative Effects

Retaliatory tariffs tend to exacerbate economic harm:

- CEPR simulations find that welfare losses nearly double under “full + retaliation” scenarios—for both the U.S. (dropping ~2%) and globally (approaching ~2%).
- A study of U.S. business formation from 2018–2025 indicates that although protectionist tariffs briefly boost domestic registry of new business ventures, retaliatory tariffs significantly cancel out those gains.

Sectoral Risks

Retaliation disproportionately affects export-heavy industries. For instance:

- U.S. soybean farmers were directly hit by China’s retaliatory tariffs, facing steep income losses, despite some offsetting government support ([State Street][7], [arXiv][8]).
- Supply chains tied to agriculture, automotive, and tech sectors suffer cascading shocks across borders.

Strategic Perspective and Real-World Insights

Negotiation Tool or Economic Strategy?

There is a school of thought, echoed by some analysts and market observers, that sees tariffs more as negotiation leverage than substantive economic policy. For example:

- “Tariff war is just a negotiation tactic, not a long-term economic strategy.”
- “Threats are largely negotiation tactics... eventual rollbacks follow.”

This mirrors past cycles like the 2018–2019 U.S.–China tariffs, where tariffs served as bargaining chips and were later rolled back.

Pro-tariff voices argue that redistributing trade toward domestic markets creates jobs and raises wages:

“Long-term impact includes job creation, wage growth, and domestic industry stability—all outweigh short-term disruptions.”

Yet many **economists remain skeptical**, noting that retaliation largely negates such benefits:

Business formation may increase under tariffs, but retaliatory measures "largely offset the benefits."

Final Verdict

- Protectionist tariffs can deliver short-term gains to select industries, but they inevitably raise costs, cause inefficiencies, and suppress economic growth over time.
- Retaliation deepens negative outcomes—dampening welfare, hampering global trade sectors, and increasing uncertainty.
- While tariffs might serve as leverage in negotiations, relying on them as a long-term economic strategy is risky and historically questionable.

A more balanced approach—combining targeted protection with multilateral engagement and supportive industrial policies—appears to offer a better path toward sustainable growth.

VIII. Policy recommendations for balancing trade protection with global welfare

The global tariff wars of 2025 have underscored the delicate balance governments must strike between safeguarding domestic industries and preserving the benefits of open, rules-based trade. As nations turn inward in response to geopolitical tensions and economic pressures, the risk of long-term global welfare losses increases. The following policy recommendations aim to guide governments in implementing trade protection strategies that are strategic, equitable, and compatible with sustained global development.

1. Pursue Targeted and Temporary Protectionism

Not all protectionism is inherently harmful. Strategic tariffs—targeted at emerging industries or sectors with national security relevance—can offer breathing room for development. However, these measures must be:

- Time-bound: Sunset clauses should be mandatory to prevent permanent protectionism.
- Data-driven: Based on measurable metrics of industry maturity or vulnerability.
- Transparent: Disclosed to global partners and trade bodies, such as the WTO.

Example: Temporary tariffs to support EV battery development or semiconductors can stimulate domestic capacity, provided that long-term competitiveness, not isolation, is the goal.

2. Strengthen Safety Nets for Trade-Affected Workers

Trade liberalization and retaliation both produce winners and losers. To preserve political support for balanced trade:

- Expand Trade Adjustment Assistance (TAA) programs to retrain displaced workers.
- Invest in regional economic diversification strategies to support areas heavily reliant on exposed sectors.
- Offer portable healthcare and pensions, which cushion transition shocks in developing and developed economies alike.

This social investment can reduce the political demand for broad-based protectionism and enhance overall economic resilience.

3. Promote Regional and Plurilateral Trade Agreements

In a time of weakening global multilateralism, regional agreements can act as stabilizing bridges:

- Support trade agreements that align with labor, environmental, and digital standards (e.g., CPTPP, AfCFTA, ASEAN frameworks).
- Negotiate bilateral or plurilateral tariff reduction deals for sectors like green energy, essential medicines, and food security.

These agreements maintain market access and reduce the need for unilateral protection.

4. Coordinate Tariff Reforms via Global Institutions

The World Trade Organization (WTO) and related institutions must be revitalized to manage rising trade tensions. Recommendations include:

- Modernize WTO dispute resolution to provide faster, enforceable rulings on tariff violations and retaliatory measures.
- Encourage peer-review transparency of new tariff laws to minimize trade frictions.
- Develop a global framework on "strategic sectors", preventing misuse of national security exemptions for economic protectionism.

Cooperative reform can mitigate tariff escalation spirals and restore trust.

5. Design Reciprocal Tariffs with Risk Assessment

Reciprocal tariffs, like those imposed by the U.S. in 2025, can appear fair but often ignore context:

- Build a tariff calibration framework that assesses the economic and diplomatic cost of retaliation.
- Use industry-level impact analysis to ensure that reciprocal actions do not disproportionately hurt domestic producers or consumers.
- Prioritize dispute mediation before escalation—e.g., using neutral trade tribunals or WTO mechanisms.

Balanced reciprocity maintains leverage without inviting destructive tit-for-tat dynamics.

6. Protect Strategic Sectors without Overreach

Certain sectors—e.g., defense, pharmaceuticals, semiconductors—may warrant protection due to national security or critical infrastructure roles. However:

- Define “strategic” sectors narrowly and through legislation, not executive discretion.
- Implement public-private partnerships to build supply chain security through domestic investment rather than tariff walls alone.
- Encourage international collaboration on non-competitive sectors (e.g., rare earth mineral cooperation).

This prevents overreach and misuse of protectionist tools under vague security pretenses.

7. Balance Tariffs with Innovation and Competitiveness Policies

Trade protection alone does not guarantee industrial revival. Tariffs must be part of a broader competitiveness strategy, including:

- R&D subsidies, workforce upskilling, and innovation hubs.
- Tax incentives for reinvestment in high-tech manufacturing.
- Infrastructure modernization to reduce production and logistics costs.

This approach improves long-term productivity without dependence on protectionism.

8. Safeguard Developing Economies and LDCs

Protectionism in major economies disproportionately harms Least Developed Countries (LDCs) reliant on exports. To protect global welfare:

- Maintain or expand zero-tariff preferences for LDCs and vulnerable partners.
- Support inclusive trade financing through institutions like the World Bank, IMF, and regional development banks.
- Incorporate social and environmental clauses in all trade policy to ensure shared growth.

Equitable trade builds long-term diplomatic goodwill and economic partnerships.

9. Monitor Global Spillovers and Economic Fragmentation

Governments must regularly assess how protectionist policies are affecting the broader global economy:

- Support joint surveillance systems with institutions like the IMF and WTO to track tariff spillovers.
- Collaborate on early warning systems for global supply chain disruptions and inflationary trends.
- Share best practices on sector-specific reforms that have reduced dependence without resorting to tariffs.

A transparent global feedback loop improves collective decision-making.

10. Communicate Clearly and Build Public Consensus

Public misperceptions often fuel populist trade wars. Governments must:

- Educate citizens on trade-offs between short-term protection and long-term growth.
- Share impact assessments of tariff policies through public forums and open data.
- Promote dialogue with industry, labor, and civil society to shape balanced trade goals.

Clear communication ensures democratic legitimacy and avoids politicized escalation.

Final Thought

Trade protection does not need to be incompatible with global welfare. When designed judiciously—guided by economic data, grounded in social equity, and implemented cooperatively—tariff and industrial policies can support national interests while preserving the benefits of open markets. The key lies in recognizing protectionism as a temporary tool, not a permanent solution, within a global strategy that promotes resilience, fairness, and sustainable development.

IX. Threats Of Research Paper Topic

- Further economic fragmentation and decoupling.

- Long-term harm to developing countries.
- Institutional weakening (erosion of WTO-based rules).
- Legal unpredictability and policy volatility.

X. Data Analysis

- **Tariff Levels:** U.S. tariffs surged to average ~27%, then moderated; steel/aluminum at 50%.
- **Trade Volume Trends:** WTO forecasts -0.2% trade volume; North America to see -12.6% in exports.
- **Country-specific Effects:** India, Canada, Mexico, China, EU, etc. detailed by sector and retaliation measures.
- **Economic Welfare:** OECD and UN reports of contraction, poverty, and climate investment declines.

XI. Key Findings

- Protectionist moves generate strong domestic signals but are largely negated by retaliation—yielding limited net benefits.
- Trade volume decline confirmed and forecasted—manifests across goods and regions.
- Developing countries face disproportionate pain: education, poverty, and SDG targets are under threat.
- Legal oversight constrains executive tariff authority and promotes trade stability.

XII. Advantage

- Targets outdated or harmful imports—can nurture nascent domestic industries.
- Grants negotiating leverage in trade talks.
- Mobilizes domestic political support in the short term.

XIII. Disadvantage

- Heightens consumer prices and inflation.
- Provokes retaliation and trade spiral.
- Harms integrated supply chains and investment confidence.
- Undermines social and environmental development goals.

XIV. Comparison

- **US–China:** Escalating tit-for-tat until resolution in June.

- US–Canada/Mexico: Tariffs imposed then partially exempted via USMCA; retaliation and ongoing negotiation.
- India: Balances protective tariffs with diplomatic response to avoid U.S. secondary tariffs.

XV. Conclusion

The global tariff landscape in 2025 has been shaped by unprecedented levels of economic nationalism, retaliatory trade measures, and fragmented multilateral cooperation. This study has thoroughly documented the key tariff policies implemented across various regions and sectors, revealing a widespread shift toward protectionism. From increased duties on strategic imports to targeted tariffs in technology, agriculture, and manufacturing, nations have redefined trade boundaries in pursuit of short-term domestic advantages. Our analysis has shown that these policies have had far-reaching economic and social impacts. While some sectors experienced temporary relief or stimulation, many others faced rising costs, disrupted supply chains, inflationary pressures, and reduced competitiveness. Socially, the ripple effects included job displacements, increased cost of living, and weakened consumer confidence, particularly in emerging economies.

Moreover, the study has assessed the effectiveness of protectionist strategies versus retaliatory responses, concluding that while protectionism may offer limited immediate gains, prolonged tariff wars often result in mutual losses and deteriorating trade relations. Retaliation, though politically appealing, has frequently deepened economic strain rather than protecting national interests. In light of these findings, the study emphasizes the urgent need for balanced policy recommendations. Governments must pursue trade protection in ways that are strategic, transparent, and temporary, while reinforcing global trade frameworks to ensure long-term cooperation and stability. Ultimately, fostering equitable and sustainable global trade requires harmonizing national interests with collective economic welfare, a goal that must guide policymaking in the post-2025 trade environment.

XVI. References

- US tariff data and legal context 2025.
- WTO and UNCTAD trade forecasts and social impact.

INFOMANIA: THE RESEARCH JOURNAL

Volume 1, Issue 1, September - October 2025

<https://infomaniajournal.com>

ISSN:

- Country-specific tariff events 2025.
- Academic analyses on business formation and trade network effects 2025.