

“To tie our future to a protectionist Brazil is to waste the hemisphere’s new reality”

Uruguay must enter into new trade agreements, cautioned Economist Arturo Porzecanski

By Lucía Arregui, August 15, 2025



The protectionist nature of U.S. trade policy under the Donald Trump administration has once again raised alarm bells in Latin America. The president established a minimum tariff of 10% on imports from all countries, in addition to higher tariffs — between 20% and 40% — for some 90 nations plus specific measures for strategic sectors such as steel, aluminum, automobiles, copper, and soon, pharmaceuticals and semiconductors.

Donald Trump has launched a new series of tariffs against numerous U.S. trading partners, significantly escalating global trade tensions. This move represents one of the most significant shifts in the global economy. After several months of failed attempts to establish “reciprocal” tariffs and multiple bilateral negotiations, some of which resulted in agreements to avoid harsher tariffs, this new round of measures marks a decisive shift in U.S. trade policy.

These measures are part of a global trend in which major economies seek to protect their industries from international competition. In the case of the United States, the “America First” policy has resulted in tariff and non-tariff barriers that impact both rival countries and long-standing allies.

Uruguayan economist Arturo Porzecanski, based in the United States, spoke with CRÓNICAS about why Uruguay was excluded from the highest tariffs imposed by Donald Trump on dozens of countries. He noted that the country’s low trade and political profile favored it but warned of the risks of depending on a protectionist Brazil and emphasized the need to advance agreements like the Trans-Pacific Partnership (CPTPP) to diversify markets.

Why Uruguay avoided major penalties

In this context, Uruguay managed to avoid the highest tariffs, although it was not exempt from the 10% tariff. According to the interviewee, the explanation lies in the small weight of bilateral trade and political factors. “It’s a very small imbalance. Furthermore, Uruguay has done nothing to provoke the ire of the White House,” he mentioned.

He added that this is explained by the fact that the U.S. trade deficit with Uruguay is small and because Yamandú Orsi’s government has not taken actions that would anger Washington. “The country is not a source of illegal immigrants or fentanyl; it has no strategic Chinese investments; and the Orsi government does not persecute its right-wing opposition or seek to recognize a Palestinian state,” he listed.

Among the main products Uruguay sells to the U.S. market are beef, timber, and some low-volume manufactured goods. None of these items compete directly with strategic sectors protected by the U.S., which contributes to maintaining a low profile on the bilateral trade agenda.

“I hope we continue doing everything possible to stay off the White House’s radar,” he emphasized, referring to the need to maintain a stable relationship with the world’s largest trading partner.

The value of trade agreements

Asked about the absence of a free trade agreement (FTA) with the U.S., he noted that countries such as Canada, Chile, Colombia, Mexico, and Peru have obtained significant benefits from these agreements. “Their entrepreneurs developed new areas of production and exports, and American consumers have had access to cheaper products, from Chilean salmon to Colombian coffee,” he stated.

However, he warned that the scenario has changed and that “having one of these agreements no longer guarantees free access. Trump is using emergency clauses to impose higher tariffs on Canada and Mexico, among others, due to their trade deficit and issues such as illegal immigration or the transportation of drugs to the United States.”

Mercosur and the strategic dilemma

Porzecanski criticized the regional bloc’s current trade policy. “Continuing to tie our commercial future to the mast of a protectionist Brazil, instead of allying with an Argentina that favors free trade and has a good relationship with the White House, is wasting the new reality in our hemisphere,” he warned.

For the economist, current political affinities should not condition long-term strategic interests. “Momentary friendships should not prevail over long-term economic and commercial interests,” he emphasized.

Beyond the United States

The expert consulted by CRÓNICAS emphasized that “the U.S. is not the only major market in the world” and recalled the opportunity represented by the CPTPP, to which Uruguay has already formally requested its accession in 2022, and which would “include us in a free trade market with a dozen other relevant economies.”

“Having already submitted the letter of accession and being the next country in the list to begin the process, it would be a great shame if the Orsi government were to squander what has been sown and stopped working with member countries to ensure this important objective,” he concluded.

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