

## Catch up: Trump unveils reciprocal tariffs; markets plunge



**Donald Trump** announced [reciprocal tariffs](#) on imports from America's trading partners, as well as a "minimum baseline tariff" of 10%. The measures were even tougher than most had predicted. He said he would impose new levies of 34% on China (taking the total to about 65%), 20% on the European Union, 24% on Japan and more. Tariffs on specific sectors, including a new 25% levy on cars, will be exempted from the country rates. Mexican and Canadian goods will avoid tariffs if they comply with an existing trade agreement.

**Global stocks** cratered in response to Mr Trump's announcement. The benchmark STOXX Europe 600 index plunged 2% on opening, following [declines across indices](#) in China, Japan and South Korea. In out-of-hours trading in America futures tracking the S&P 500 and NASDAQ were down by as much as 3.4% and 4.4% respectively. Dow futures fell by more than 2.5%. The price of gold jumped to a record high.

**China** urged “bullying” **America** to “immediately cancel” the [new tariffs](#), vowing “resolute counter-measures”. Ursula von der Leyen, the European Commission’s president, called Mr Trump’s move a “major blow to the world economy”, saying it would be “dire for millions of people around the globe”. Japan called the new levies “extremely regrettable”. Australia’s prime minister decried the “poor decision”, but said he would not retaliate.

**Hungary** said it would leave the International Criminal Court. The decision comes as Israel’s prime minister, Binyamin Netanyahu, who faces an [ICC arrest warrant](#) over alleged war crimes in Gaza, visited Hungary. His host, Viktor Orban, promised to defy the warrant. Other ICC signatories in Europe, including Germany, have mulled ways of allowing Mr Netanyahu to visit safely.

Mr Netanyahu said **Israel** plans to “divide up” the Gaza Strip to help free the hostages held by Hamas. In a video statement, the [Israeli leader](#) said his forces had “shifted gears” as they launched more strikes on the enclave. Gaza’s health ministry said at least 60 people died in attacks on Wednesday.

Thousands of people took to the streets in Port-au-Prince to protest against the gangs that control most of **Haiti’s** capital. The armed groups have forced more than 1m people out of their homes and are accused of mass rapes and killings. [Haiti’s government](#) collapsed nearly a year ago, but the transitional regime has struggled to hold back the gangs and restore stability.

**Tesla** delivered 337,000 cars in the first quarter of 2025, around 50,000 fewer than during the same period last year. BYD, a Chinese firm, recently overtook [Elon Musk’s carmaker](#) as the world’s biggest electric-vehicle firm by sales. Consumers have boycotted Tesla over Mr Musk’s support for Donald Trump; competition from established carmakers and other Chinese firms is growing, too.

**Figure of the day:** 29%, the share of Republican voters who view the EU as “unfriendly” or “an enemy”, according to our polling with YouGov. [Read the full story.](#)

# The world responds to Trump's tariffs



President Donald Trump has [revealed](#) the biggest escalation in his trade war yet. He imposed a universal 10% levy, as well as reciprocal tariffs—as high as 49% total, in Cambodia’s case—on America’s trading partners. Imports into America will now face a weighted-average tariff rate of nearly 24%, according to Evercore ISI, a research firm. That is a dramatic increase from 2% or so last year. There is little time to adjust. The 10% tariff is due to take effect on April 5th, while the reciprocal tariffs targeting countries will start on April 9th.

Scott Bessent, America’s treasury secretary, urged countries not to retaliate, warning “that’s how we get escalation”. But leaders around the world are preparing to respond. Ursula von der Leyen, the president of the European Commission, said the EU was preparing counter-measures to protect “our interests and our businesses”. China too has vowed some sort of retaliation. Some governments are even weighing co-ordinated reprisals. A mighty trade war beckons.

## Rubio seeks to soothe the rest of NATO



Marco Rubio, America's secretary of state, could be forgiven for wondering what sort of reception he will get at a meeting of NATO foreign ministers in Brussels, which begins on Thursday. His counterpart from Denmark may want a stern word about Donald Trump's designs on [Greenland](#), an autonomous Danish territory; the Canadian delegation may share their disdain at the president's suggestion that their country becomes America's 51st state. Others will simply hope to hear a soothing message about America's enduring commitment to the alliance.

Mr Rubio will no doubt make now-familiar noises about Europeans doing more to defend themselves and Ukraine. But he might also give some indication of America's willingness to give at least some support to a European "reassurance force" in Ukraine, should progress towards a wider truce with Russia be made. Still, alliance colleagues will not be too heartened. Mr Rubio is perhaps the most NATO-friendly member of Team Trump. Others are less bothered about calming allies' nerves.



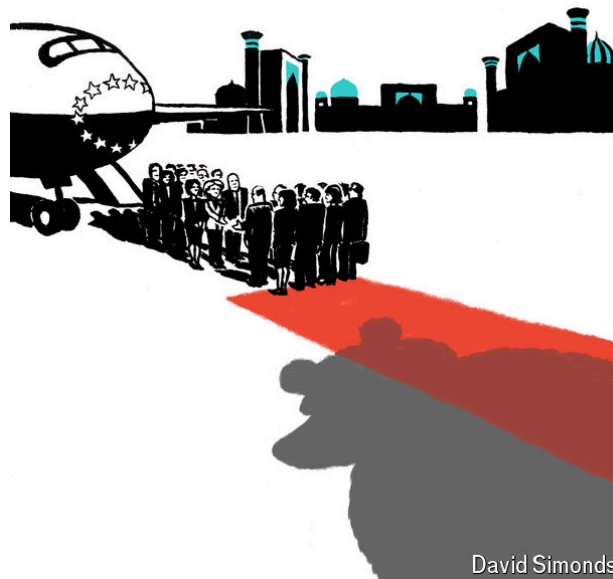
## OPEC+ starts raising oil output, at last



On Thursday the Organisation of the Petroleum Exporting Countries and its allies (collectively OPEC+) meet to decide oil-production quotas for May. This week the oil-pumping countries started reversing output cuts of millions of barrels per day, in place since 2022. The meeting will probably confirm the direction of travel. Members have wanted to raise output for months but weakness in the global economy and greater production in countries outside the group have kept prices below \$80 a barrel.

Those worries remain, not least because Donald Trump's tariffs threaten to batter global economic growth. But the cartel's members are growing impatient. They could benefit from America's efforts to choke off exports from [Iran](#), Venezuela and perhaps Russia: prices have perked up since Mr Trump threatened to impose "secondary tariffs" on countries buying Russian oil unless Vladimir Putin agrees to a ceasefire in Ukraine. But that's not good news for all of OPEC+: after Saudi Arabia, Russia is its largest exporter.

# Europe courts Central Asia



The first ever summit between the European Union and the five states of Central Asia opens on Thursday in Samarkand, a city in Uzbekistan. The war in Ukraine has boosted the geopolitical significance of this strategic, mineral-rich region which shares borders with Afghanistan, China, Iran and Russia. Western countries and others hope to secure trade routes that bypass Russia and access to the region's rare earths and energy resources.

Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan are all long-time allies of Russia, their former colonial master. The Kremlin deems the region within its traditional sphere of influence. But Russia's aggression against Ukraine has unsettled its allies in Central Asia. Although they have not condemned the invasion, they have not offered overt support for it either, and are seeking [additional trade partners](#). European politicians including Ursula von der Leyen, president of the European Commission, can expect a red-carpet welcome in Samarkand, as Central Asian leaders spy an opportunity to counterbalance Russia's regional sway.

## “Minecraft” hits the silver screen



In Hollywood, video games are the new superheroes. After years of milking comic-book franchises like Marvel, studios are finding that audiences are bored of musclemen in lycra. So producers are [turning to games for inspiration](#). “The Super Mario Bros Movie” was the second-highest grossing film of 2023. “Sonic the Hedgehog 2” made last year’s top ten. Warner Bros hopes that “A Minecraft Movie”, based on a world-building game and out this week, will continue the run.

The film industry needs a hit. It has still not recovered from the covid-19 lockdowns of 2020-21. Cinema takings in America and Canada last year were over a third below their pre-pandemic peak, adjusted for inflation; this year they have been even lower. Warner Bros’ latest, “The Alto Knights”, a \$45m crime drama starring Robert DeNiro, took just \$3m at the domestic box office on its opening weekend last month. If “Minecraft” does not perform, troubled cinema chains will move a step closer to game over.



## Daily quiz



The Economist

We will serve you a new question each day this week. On Friday your challenge is to give us all five answers and, as important, tell us the connecting theme. Email your responses (and include mention of your home city and country) by 1700 BST on Friday to [QuizEspresso@economist.com](mailto:QuizEspresso@economist.com). We'll pick randomly from those with the right answers and crown three winners on Saturday.

**Thursday:** What is the name of the long-running investment column of the *Financial Times*?

**Wednesday:** Which 1968 film starring Charlton Heston was the start of a long-running franchise that has generated ten movies to date?

**An actor's a guy, who if you ain't talking  
about him, ain't listening.**

*Marlon Brando*