**Trump’s Tariffs: A Blow to the Global Economy, Including Slovenia**

The US is introducing new 10% tariffs on most imports into the country. For many nations, these tariffs will be significantly higher. Imports from the European Union will be taxed at a 20% rate. The 10% tariffs will take effect on April 5, while higher tariffs for certain countries will apply from April 9. Additionally, as of 6 a.m., a new 25% tax on the import of all foreign cars into the US has come into effect. Critics are warning of a flawed tariff calculation method and severe negative consequences from the measure.

“I will sign a historic executive order imposing reciprocal tariffs on countries around the world. This means that what they do to us, we will do to them,” said **Donald Trump** to the media. Announcing the new tariffs, he declared: “This is our declaration of independence!”

Trump believes that yesterday was one of the most important days in US history. A day to be remembered for the rebirth of American industry and the day the US became wealthy again, according to STA. Trump then said in his typical style that **“near and far nations, both friends and foes, have looted, raped, and robbed us.”**

Upon introducing the tariffs, he also presented a special chart listing countries alongside a series of percentage values supposedly representing the tariffs those countries charge the US—and the tariffs the US would now charge them.

**A Flawed Path to New Tariff Rates?**

Trump presented the new tariff rates as a reciprocal measure: “We’ll charge them about half of what they’re charging and have charged us. So, tariffs won’t be fully reciprocal.” He explained the methodology used to arrive at these numbers, saying they were halved values that also include the total rate of all their tariffs, non-monetary market barriers, and other forms of “cheating.”

The European Commission responded: “Tariff structures differ across economies—some EU tariffs are higher than those in the US, but many others are lower.” It added: “While the EU imposes a 10% tariff on cars under the most-favored-nation (MFN) principle, it’s important to note that the US imposes a 25% tariff on pickup trucks—the largest segment of the US auto market, accounting for about a third of all vehicle sales. In fact, the best-selling vehicle in the US is the Ford F-150 pickup.”

But critics warn that the Trump administration did not derive the new tariffs based on true reciprocal halving of rates, but rather on the US trade deficit with each country. “I just figured out where these bogus tariff figures come from. The actual tariff rates and non-tariff barriers weren’t calculated as claimed. Instead, they simply took the US trade deficit with each country and divided it by that country’s exports to the US. So, we have a $17.9 billion trade deficit with Indonesia, and Indonesia exports $28 billion worth to the US. 17.9/28 = 64%, which Trump claims is the tariff Indonesia charges us. What utter nonsense!” wrote **James Surowiecki**.

**A Blow to American Consumers and European Manufacturers**

The goal of the tariffs is supposedly to protect American workers and revive US industry. Some also cite unfair market practices by countries that subsidize specific sectors and can therefore sell their products at dumping prices—China and, for example, Bangladesh are often mentioned.

However, the new tariffs will hurt American consumers, who will have to pay more for foreign products. Experts also warn the move could accelerate inflation and potentially trigger a recession this year. A negative response from the stock markets is also expected, STA reports.

The EU strongly condemned the measure. European Commission President **Ursula von der Leyen** called on the US to negotiate, warning of retaliatory measures if talks fail. “President Trump’s announcement of universal tariffs on the entire world, including the European Union, is a major blow to the global economy. I deeply regret this decision,” she said.

Slovenia could be especially hard-hit by additional tariffs on European car imports. Slovenia’s automotive cluster, which accounts for around 10% of its GDP, consists mostly of suppliers for major car brands. According to Bloomberg, 40% of the domestic auto industry is tied to the German market. Germany is already facing serious challenges and layoffs, and a decline in US sales could deepen those problems—resulting in fewer orders for Slovenian suppliers.

**Chamber of Craft and Small Business: Layoffs Possible**

Slovenia’s Chamber of Craft and Small Business (OZS) responded to the announced tariffs by stating that the new duties put additional price pressure on Slovenian companies that are subcontractors to larger firms indirectly tied to the US market.

“The consequences could include layoffs or companies seeking alternative opportunities and new partners on different markets. Given the struggles of the European auto sector, which was already facing difficulties and job losses, this is certainly another blow to the industry,” OZS wrote.

Companies may adapt by relocating production to the US or seeking alternative business partners and markets. “As for the EU’s response to the tariffs, we believe a trade war is the worst possible strategy. We hope the EU reaches an agreement with the US and avoids a trade war,” OZS concluded.

**Likely Violation of WTO Rules**

The selective introduction of tariffs violates World Trade Organization (WTO) rules. WTO members are committed to the MFN (most-favored-nation) principle, which prohibits charging different tariff rates on identical products depending on the country of origin. This prevents discrimination among nations. During Trump’s first administration, the WTO already ruled that some of the imposed tariffs violated MFN rules.

The Trump administration claims that these very rules are the reason the US has a trade deficit. Trump has repeatedly expressed dissatisfaction over Europeans’ lack of interest in American cars like Ford. Experts argue that Europeans buy fewer American cars because many of them are not suited to European preferences—Europeans generally prefer smaller, more affordable cars with better fuel efficiency.

**— Žiga Korsika**