

# Mexico Ready to Retaliate Tariffs, Potentially Targeting US Ag

🕒 January 30, 2025    👤 Ryan Hanrahan    📁 trade

[Reuters' Diego Oré reported](#) that **"Mexico President Claudia Sheinbaum said on Wednesday she does not believe the United States will impose tariffs on Saturday as President Donald Trump has pledged, but said her administration has its own response plan in place if needed."**

"We don't think it's going to happen," Sheinbaum said at her regular morning press conference. "And if it does happen, we also have our plan," Oré reported. "In what Mexico sees as the unlikely event that the U.S. does implement tariffs against its largest trading partner on Feb. 1, Mexico is prepared to impose retaliatory tariffs on the United States, according to two sources familiar with the matter."



*Mexican President Claudia Sheinbaum. Courtesy of Wikimedia Commons.*

"Retaliatory tariffs would initially exempt the automotive industry, the sources said, sparing what has become Mexico's most important manufacturing sector and one that is closely integrated with the United States," Oré reported. "Mexico is ready to apply retaliatory tariffs of 5%, 10%, 20%," said one of the sources, a Mexican government official. "However, we are still in constant dialogue because the effects would hit both countries, jobs on both sides of the border will be put at risk," the sources added."

**"The retaliatory tariffs would most likely be on pork products, cheese, apples, grapes, potatoes, cranberries and Bourbon whiskey, as well as manufactured steel and aluminum, the sources said,"** Oré reported. **"Mexico has chosen these products because they have a big impact on regions that voted overwhelmingly for Trump,"** said the second source, who has knowledge of the government plans."

## Commerce Nominee Lutnick Says Canada, Mexico Can Still Avoid Tariffs


[Bloomberg's Josh Wingrove and Daniel Flatley reported Wednesday](#) that **"President Donald Trump's pick to lead the Commerce Department said Mexico and Canada can avoid new tariffs due this weekend if they clamp down on border security — while also signaling that Trump is likely to impose widespread new levies to return manufacturing to US soil."**

"The testimony from Howard Lutnick, during his confirmation meeting Wednesday, provides the latest clues of how the Trump administration will rollout a flurry of threatened new levies," Wingrove and Flatley reported. "Lutnick distinguished between different tariff approaches. Trump has ordered a study of overall trade issues and tariffs to be finished by April 1. Lutnick described that process as broader, while saying the immediate 25% tariffs Trump has pledged on those two countries as soon as Feb. 1 is related to migration and fentanyl issues along their borders into the US."


"'If we are your biggest trading partner, show us the respect, shut your border,' he said of Trump's Feb. 1 threat. 'This is a separate tariff to create action from Mexico and action from Canada. And as far as I know, they are acting swiftly, and if they execute it, there will be no tariff. And if they don't, then there will be,'" Wingrove and Flatley reported.

## Lutnick Prefers Across the Board Tariffs


[Reuters' David Shepardon reported](#) that, during his confirmation hearing on Wednesday, "Lutnick repeatedly called for a restoration of 'reciprocity' on trade with other countries, which is in line with Trump's vow to erect a universal tariff of 10% on all U.S. imports. He also said he wanted to improve U.S. access to Canada's largely closed dairy market."

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Commerce Secretary-designate Howard Lutnick: "We are treated horribly by the global trading environment. They all have higher tariffs, non-tariff trade barriers and subsidies. They treat us poorly. We need to be treated better... And we can use tariffs to create reciprocity."



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"My way of thinking, and I discussed this with the president, is country by country, macro,' Lutnick told the U.S. Senate confirmation hearing when asked his preference for how Trump should impose tariffs," Shepardson reported. "We are treated horribly by the global trading environment. They all have higher tariffs, non-tariff trade barriers and subsidies,' Lutnick said. 'They treat us poorly. We need to be treated better. We need to be treated with respect, and we can use tariffs to create reciprocity, fairness and respect.'"

"Lutnick's comments echoed those made by Trump, who last week said the European Union is 'very, very bad to us' and called tariffs 'the only way ... you're going to get fairness,'" Shepardson reported.