

Discover this week's must-read global economy stories

~4 minutes

- This weekly round-up brings you the latest stories from the world of economics and finance.
- Top economy stories: New US tariffs shake global markets; Eurozone rebounds amid US trade tensions; India cuts interest rates for first time in five years.

Trump's tariffs: Market reaction

This week, Donald Trump's administration delivered on a key pillar of its proposed second-term economic agenda, imposing sweeping trade tariffs that have sparked international tensions and economic concerns.

A 10% duty was imposed on Chinese imports, while 25% tariffs on Canada and Mexico were temporarily delayed. Collectively, these countries account for over 40% of total goods traded with the US, and this policy shift [has rattled global markets](#), *Reuters* reports.

Top three trading partners to the US - Mexico, Canada and China. Image: US Census Bureau/Reuters

The Canadian dollar hit a 20-year low, while the Mexican peso remains volatile, and the euro faces pressure amid fears the European Union is next. However, despite the tariffs, China's yuan has remained stable.

US futures and foreign currencies fluctuated following tariff announcements. Image: Reuters/LSEG

The auto sector has also warned of major profit losses, globally but particularly in the US, with analysts cautioning that ongoing uncertainty could slow economic growth and fuel inflation worldwide.

[US job growth slowed in January](#), impacted by weather and wildfires, while economists say a 4.0% unemployment rate may delay Federal Reserve rate cuts until June.

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2. Eurozone growth returns as uncertainty over US tariffs looms

With the EU bracing for potential US trade tariffs, [the eurozone economy rebounded in January](#), as the HCOB composite PMI rose to 50.2, marking a return to growth after two months of contraction. A modest expansion in services (51.3) helped offset continued weakness in manufacturing.

However, the outlook remains uncertain amid rising input costs and political instability in major economies like Germany and France, *Reuters* reports. While employment and new orders showed slight improvement, business confidence dipped, reflecting caution over global economic pressures.

The EU may use its anti-coercion instrument (ACI) - a trade tool allowing Brussels to restrict services in response to tariffs - [to target US industries, including Big Tech](#), if Trump imposes duties, the *Financial Times* reports.

3. News in brief: Stories on the economy from around the world

[Canada's unemployment rate fell to 6.6% in January](#), down from 6.7% the previous month, as the economy added 76,000 jobs - well above the 25,000 forecast by *Reuters* analysts. This marks the second consecutive monthly decline in joblessness, though total unemployment remains high at 1.5 million.

The [Bank of England has halved its growth outlook](#) for the year from 1.5% to 0.75% - and cut interest rates to 4.5% on 6 February. Governor Andrew Bailey said rates remain on a downward path, the *BBC* reported.