



An aerial view shows a container ship being guided to its berth by tugboats at Qingdao port, in China's eastern Shandong province. By the 1990s and early 2000s, China entered Trump's crosshairs, and Beijing remains one of his top tariff targets, along with Canada, Mexico and the European Union. PHOTO: AFP/FILE

'Tariff man': Trump's long history with trade wars

AFP, Washington

Donald Trump loves few things more than talking about his affinity for tariffs, but it's nothing new: he's been saying the same thing for decades.

"To me, the most beautiful word in the dictionary is 'tariff,'" Trump repeatedly said on the campaign trail for the 2024 election.

He has since joked that it is now his fourth favorite word, after love, God and family -- but his commitment to them remains as strong as ever.

The 78-year-old Republican has promised a "Liberation Day" for America on Wednesday when he announces sweeping "reciprocal" tariffs targeting any country that has imposed levies against US goods.

The sudden trade war has sent leading world economies scrambling -- yet anyone surprised by the onslaught has not been listening to Trump himself.

Other policies have come and gone, especially on hot-button issues such as

abortion, but Trump's belief that America is being ripped off by the world has remained one of his core values.

So has his innate conviction that tariffs are the solution, despite arguments by opponents and many economists that US consumers will suffer when importers pass on increased prices.

"I am a Tariff Man," Trump declared in a social media post back in 2018 during his first presidential term. In fact, Trump has been saying as much since the 1980s.

His main target then was Japan, as Trump -- best known in those days as a brash property dealer and tabloid fixture -- discussed getting into politics in an interview with CNN's Larry King.

"A lot of people are tired of watching other countries ripping off the United States," Trump said in 1987, using rhetoric that has changed little in the intervening 38 years.

"Behind our backs, they laugh at us because of our own stupidity."

In a separate interview with chat show host Oprah Winfrey, he raged: "We let

Japan come in and dump everything right into our markets."

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In his successful 2016 election campaign, Trump stepped up the rhetoric, saying: "We can't continue to allow China to rape our country."

During his second term, Trump has also started citing a historical precedent going back more than a century -- President William McKinley.

McKinley's passion for both territorial expansion and economic protectionism during his time in office from 1897 to 1901 could have been the model for Trump's

"Make America Great Again" policies.

"President McKinley made our country very rich through tariffs and through talent -- he was a natural businessman," Trump said in his inauguration speech in January.

Trump's promises of a "Golden Age" harkens back to the so-called "Gilded Age" that culminated with McKinley's presidency, a time when America's population and economy exploded -- along with the power of oligarchs.

In addition to deploying tariffs, McKinley presided over a period of territorial adventurism for the United States, including the Spanish-American war and the purchases of Guam, Puerto Rico and the Philippines.

Such moves echo Trump's own designs for Greenland, Panama and Canada.

The two also share the unwanted similarity of being struck by an assassin's bullet -- although Trump survived the attempt on his life at an election rally last July, while McKinley was killed by an anarchist in 1901.

In shift, OpenAI announces open AI model

AFP, San Francisco

Artificial intelligence powerhouse OpenAI, the creator of ChatGPT, on Monday announced it is building a more open generative AI model as it faces growing competition in the open-source space from Chinese rival DeepSeek and Meta.

The announcement marks a strategic shift by OpenAI, which until now has been a fierce defender of closed, proprietary models that do not allow developers to modify the basic technology to make AI more adapted to their goals.

OpenAI and defenders of closed models -- which include Google -- have often decried open models as more risky and vulnerable to nefarious uses by bad actors or foreign adversaries.

OpenAI's embrace of closed models has also been a bone of contention in its battles with former investor Elon Musk, the world's wealthiest person, who has called on OpenAI to honor the spirit of the company's name and "return to the open-source, safety-focused force for good it once was."

Putting pressure on OpenAI, many large companies and governments have proved reluctant to build their AI products or services on models they have no control over, especially when data security is a concern.

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The core selling point of Meta's family of Llama models or DeepSeek's models is addressing these worries by letting companies download their models and have far greater control to modify the technology for their own purposes and keep control of their data.

Meta CEO Mark Zuckerberg said earlier this month that Llama hit one billion downloads, while the release of DeepSeek's lower cost R1 model in January rocked the world of artificial intelligence.

"We've been thinking about this for a long time but other priorities took precedence. Now it feels important to do," OpenAI's chief executive Sam Altman said on X.

As it builds its new model, the company plans to gather developer feedback through a series of events starting in San Francisco in the coming weeks, followed by sessions in Europe and Asia-Pacific regions.

The announcement came as OpenAI has been riding on the success of its latest image-generation features in ChatGPT, the world-leading AI app and chatbot.

Altman posted on Monday that the tool helped add "one million users" in one hour.

That claim came days after Altman said the new image features were so popular that they were melting the OpenAI graphics processing units that power the AI due to heavy use.

The flurry of announcements comes as OpenAI is reportedly finalizing a \$40 billion funding round led by Japan's SoftBank Group that would be the biggest capital-raising session ever for a startup.

US manufacturing shrinks in March on uncertain tariff picture

AFP, Washington

US manufacturing activity contracted again in March, snapping a two-month expansion as firms contended with uncertainty over President Donald Trump's tariff plans, according to survey data published Tuesday.

Traders are nervously preparing for sweeping reciprocal tariffs on Wednesday, which Trump has dubbed "liberation day," without providing much detail on the levies that are set to be imposed.

The Institute for Supply Management (ISM) manufacturing index slipped to 49.0 percent last month, a 1.3 percentage point fall from February. This was below the market consensus estimate of 49.8 percent, according to Briefing.com, and less than the 50-point



GMC Hummer EVs are seen on an assembly line at the General Motors Factory in Detroit, Michigan. PHOTO: AFP/FILE

mark separating expansion from contraction.

"US manufacturing activity slipped into contraction after expanding only marginally in February," ISM survey chief Timothy Fiore said in a statement. "The expansion in both February and January followed 26 consecutive months of contraction."

"Demand and production retreated and destalling continued, as panelists' companies responded to demand confusion," he added, noting that price growth had accelerated "due to tariffs."

Tariffs also caused a backlog in new order placement, supplier delivery slowdowns and manufacturing inventory growth, he said.

Some of the firms who responded to the survey flagged trade uncertainty as a key concern.

How 'liberation day'

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Likely to be hit hardest are China's top exports to the United States -- the country is the dominant supplier of goods from electronics and electrical machinery to textiles and clothing, according to the Peterson Institute of International Economics.

But analysts also warn that because of the crucial role Chinese goods play in supplying US firms, the tariffs may also have major knock-on effects.

"US imports from China are dominated by capital goods and industrial materials instead of consumer goods," Gene Ma, Head of China Research at the Institute of International Finance, told AFP.

"The tariff will hurt US manufacturers as well as consumers."

"This trade war not only has a destructive impact on China but also on the global trade system," Chen Wenling, Chief Economist at the China Center for International Economic Exchanges in Beijing, said.

How might Beijing respond?

Beijing has yet to specify what exactly its "countermeasures" will involve. But the retaliation could see Beijing hike pre-existing tariffs

imposed in response to previous measures.

"China's countermeasures should be reasonable, beneficial and measured," Mei Xinyu, an economist at the state-affiliated Chinese Academy of International Trade and Economic Cooperation in Beijing, told AFP.

"They need to be strong and precise, while also avoiding turning the countermeasures into a decoupling of China and the United States," Mei added.

China last month slapped tariffs of 15 percent in imports of coal and liquefied natural gas from the United States. Crude oil, agricultural machinery, big-engined vehicles and pickup trucks also face 10 percent duties.

Analysts say those moves are designed to hit Trump's power base -- those in America's rural heartlands that voted him into office last year.

Beijing has called for dialogue to resolve the dispute, but any deal will take time.

"There are still chances for the two parties to resume talks in the following months," Betty Wang at Oxford Economics told AFP.

US tariff war: Implications and strategies

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limited alternatives, as many of our competitors face similar or even higher reciprocal tariffs.

However, fierce competition among sellers poses a significant challenge, enabling wholesale buyers like Walmart and Target to pass the tariff costs onto us. To counter this, it is crucial for sellers to collectively agree not to accept a reduction in prices to offset the tariff.

The relevant association must closely monitor renegotiated prices and enforce penalties for non-compliance with this agreed position.

Additionally, we should explore the possibility of qualifying our exports for duty exemptions by emphasizing their status as low-priced essential products.

Looking ahead, Bangladesh must tackle the 74 percent combined tariff rate on US imports. The legitimacy

of this tariff -- whether reciprocal or punitive -- depends on the accuracy of the USTR's calculations.

It appears that the USTR has simply divided the bilateral trade deficit by US imports from the respective country to calculate the combined tariff rate.

For instance, with Bangladesh, the bilateral trade deficit was \$6.2 billion, and US imports from Bangladesh totaled \$8.4 billion in 2023. Hence, the ratio 6.2/8.4 equals 74 when expressed as a percentage.

This method's arbitrariness is difficult to comprehend. Nonetheless, it is undeniable that average tariffs in Bangladesh are high at 14.8 percent, and nearly double that when para-tariffs are included. The restrictiveness of non-tariff barriers, with an average ad valorem equivalent of nearly 200 percent (World Bank, Change of Fabric 2022), far surpasses that of tariffs. These barriers include burdensome

sanitary and phytosanitary requirements, technical barriers to trade, pre-shipment inspection, non-automatic licensing requirements, and price control measures.

The USTR's 2025 Foreign Trade Barriers report serves as a negotiating guide, outlining reforms necessary to reduce the combined tariff rate on US imports.

It highlights tariff and non-tariff barriers in Bangladesh's import policies, corruption in government procurement, inadequate intellectual property protections, unrestricted government access to computer systems, data localisation requirements for classified information, criminalisation of certain forms of free expression, internet shutdowns, equity caps on foreign ownership, delays in repatriating investment-related capital, export subsidies, worker rights violations,

and bribery and corruption.

The report acknowledges the interim government's recognition of these issues and its commitment to reform.

For instance, it notes that the interim government has agreed to formal repayment agreements with US companies owed arrears and pledged to streamline bureaucratic processes for repatriating investment-related capital.

The report also credits the government's investigation into the internet shutdown in July, revealing it lacked judicial or administrative approval.

It positively views the draft Cyber Protection Ordinance approved on December 3, 2024, and applauds efforts to enhance transparency in procurement by halting direct negotiations initiated by the previous regime.

Bangladesh must leverage the goodwill generated by these reform commitments to finalise and implement changes that could reduce the combined tariff rate, ensuring a more favorable trade relationship moving forward.

Will the Trump tariff stick?

Trump views tariffs as a catch-all solution -- to raise revenue, reduce trade deficits, reshore manufacturing, protect national security, ensure reciprocity, and even penalize countries for issues like migration or drug trade. However, history is filled with examples of failed attempts at tariff protection. Targeting trading partners does little to resolve domestic challenges and instead harms the US economy while fostering foreign resentment and retaliation, compounding the damage.

A universal tariff on all imports is neither practical nor effective.

Even as a negotiating tool, tariffs cause significant collateral damage. Business media is now rife with terms like uncertainty, chaos, and retaliation.

The erratic trade policy -- characterized by steep tariffs, threats, and sudden reversals -- has driven economic uncertainty to levels exceeding those of the 2008 financial crisis.

Trump has acknowledged the short-term economic pain caused by tariffs, indicating they won't be quickly removed as part of broader negotiations.

However, if stock markets crash, the US economy slips into stagflation, and Trump's approval ratings plummet, he may retreat from the tariff war as abruptly as he initiated it.

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