

# Automakers shift gears after Trump tariffs

AFP, Paris  
Automakers have started to adapt to the 25 percent tariff imposed on car imports by US President Donald Trump, from pausing production to raising prices or halting certain models.

The additional levy came into effect on Thursday and applies to all cars that are not manufactured in the United States.

Bank of America estimates that around 7.3 million vehicles, or eight percent of global auto sales, will get hit by the tariff.

Ford CEO Jim Farley said in February that the tariffs would expose automakers to a "lot of cost and a lot of chaos".

Similar tariffs on car parts will also gradually come into effect.

The tariffs raise two fundamental questions for the US auto market: by how much will prices rise, and to what extent will consumers buy fewer vehicles?

Volkswagen has already informed its US dealers that it will add an "import fee" to cars it ships into the country from Europe and Mexico, according to trade publication Automotive News.

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Bank of America estimates that US vehicle prices would rise by about \$10,000 if manufacturers fully pass on the cost of tariffs to maintain their profit margins.

"However, we don't expect consumers would absorb the price increase in full," said analysts at the bank.

Carmakers "are more likely to sell vehicles at breakeven until they rebalance the production footprint", it said, estimating that US consumers would see price hikes of around \$4,500.

US consumers rushed to dealerships to purchase or order vehicles before the tariffs entered into force.

Mid-range imported vehicles, such as the Chevrolet Silverado pick-up and the Toyota Rav4 SUV, are most likely to feel the pinch from higher tariffs.

But even luxury manufacturers like Porsche could have trouble absorbing the cost of tariffs on their low-end models, such as the German automaker's Macan SUV, said Cigdem Cerit, an auto industry expert at Fitch Ratings.

Ferrari was the first carmaker to announce a hike in prices -- as much as 10 percent -- on vehicles sold in the United

States, its top market.

Ford, one of the companies that manufactures most in the United States, has seized the moment to launch an advertising campaign with the tag line "From America, For America".

US automakers -- Ford, GM and Jeep-maker Stellantis -- have all called on Trump to ease the tariffs. That is because they developed supply chains and factories in Canada and Mexico that have for decades enjoyed free trade arrangements with the United States.

But now the free trade deal between the three countries, the USMCA, applies only to US-made parts.

Stellantis, which also makes Chrysler, Dodge and RAM Truck vehicles, has announced it will pause production at some plants in Canada and Mexico. It will also slow work at four US parts factories to take into account the pause in the assembly lines.

Its Chrysler plant in the Canadian city of Windsor, which employs 4,000 people and sits across a river from US auto capital Detroit, will pause production from April 7 to 21.

Nissan plans to stop selling in the United States the QX50 SUV and QX55 crossover coupe SUV, which are both made in its Mexican factory in Aguascalientes.

Trump has stated that the goal of the tariffs is to encourage manufacturing jobs to return to the United States, but it is unclear whether that will be achieved.

Deloitte auto analyst Guillaume Crunelle said carmakers would have to ask themselves: "Is it more competitive to manufacture in the United States, with a weaker market, or to pay customs duties?"

South Korea's Hyundai and Stellantis plan to open or reopen factories, but the entry into force of the tariffs on Thursday has sped up announcements.

Nissan, which had planned to halt production of its Rogue SUV in Tennessee as part of cost-cutting measures, said it would in the end keep production there to avoid tariffs.

Volvo indicated that it would boost production at its factory in South Carolina and look at producing a new model there.

Mercedes is also looking at boosting output at its US factory and add another model to its production lines.

But such changes can take time -- several years to build a new production line in an existing facility. Carmakers must then persuade their suppliers, which have also been weakened by the transition to electric vehicles, to follow.



A farmer drives a team of horses through a field during the corn harvest in Pennsylvania's Lancaster County. With talk of retaliation, farmers, a key support base in Trump's 2024 re-election campaign, are again in the crossfire and bracing for losses.

PHOTO: AFP/FILE

# US farmers see tariffs threaten earnings

AFP, Washington

As President Donald Trump's sweeping global tariffs took effect this weekend, US farmers hoping for a profit this year instead found themselves facing lower crop prices -- and the prospect of ceding more ground in foreign markets.

"We're already getting below break-even at the current time," said Jim Martin, a fifth-generation Illinois farmer who grows soybeans and corn.

"We knew it was coming," he told AFP of Trump's tariffs. "I guess we're anxious to see how things are going to eventually be resolved."

The president's 10-percent "baseline" rate on goods from most US trading partners except Mexico and Canada took effect Saturday.

And dozens of economies, including the European Union, China and India, are set to face even higher levels -- tailored to each party -- starting Wednesday.

With talk of retaliation, farmers, a key support base in Trump's 2024 re-election campaign, are again in the crossfire and bracing for losses.

Prices for many US agricultural products fell alongside the stock market on Friday, following Trump's tariff announcement and China's pushback.

China, the third-biggest importer of American farm goods behind Canada and Mexico, is set to be hard hit, with a 34-percent US duty on its products piling on an earlier 20-percent levy.

In response, Beijing said it would place its own 34-percent tariff on American goods,

stacking on previous rates of up to 15 percent on US agricultural products.

The tariffs mean businesses pay more to import US products, hurting American farmers' competitiveness.

"There is less incentive for them to purchase US soybeans. It is cheaper to get them out of Brazil by far," said Michael Slattery, who grows corn, soybeans and wheat in the Midwest state of Wisconsin.

At least half of US soybean exports and even more of its sorghum go to China, which spent \$24.7 billion on US agriculture last year, including on chicken, beef and other crops.

**Prices for many US agricultural products fell alongside the stock market on Friday, following Trump's tariff announcement**

But the US Department of Agriculture (USDA) said China's purchases last year dropped 15 percent from 2023 "as soybean and corn sales fell amid rising competition from South America."

Slattery expects Chinese buyers will dial back further.

"The loss of this market is a very big deal, because it's expensive to find other buyers," said Christopher Barrett, a Cornell University professor whose expertise includes agricultural economics.

During Trump's escalating tariff war in his first presidency, China was the "only target, and therefore the only country retaliating," Barrett said.

With all trading partners now targeted, farmers will likely have a harder time finding new markets, he said.

"More than 20 percent of farm income comes from exports, and farmers rely on imports for crucial supplies like fertilizer and specialized tools," the American Farm Bureau Federation warned this week.

"Tariffs will drive up the cost of critical supplies, and retaliatory tariffs will make American-grown products more expensive globally," it added.

The International Dairy Foods Association cautioned Wednesday that "broad and prolonged tariffs" on top trading partners and growing markets risk undermining billions in investments to meet global demand.

Retaliatory tariffs on the United States triggered over \$27 billion in agricultural export losses from mid-2018 to late-2019, the USDA found.

While the department provided \$23 billion to help farmers hit by trade disputes in 2018 and 2019, Martin in Illinois likened the bailouts to "a band-aid, a temporary fix on a long-term problem."

"The president says it's going to be better in the long term so we need to decide how patient we need to be, I guess," he added.

Martin, like other producers, hopes for more trade deals with countries beyond China. Slattery called Trump's policies "a major restructuring of the international order."

He is bracing for losses this year and next. "I've attempted to sell as much as I can of the soybeans and corn in advance, before Trump began to indicate the amount of tariffs he was going to charge," he said.



PHOTO: AFP

Vehicles are seen on the lot of a Ford auto dealership in Montebello, California on April 1.

# Bracing for a tariff storm

FROM PAGE B4  
BGMEA and BKMEA to collaborate intensely. These bodies may also reach out to US counterparts, such as the American Apparel and Footwear Association, to build a case against the tariff. We've overcome crises before -- from Rana Plaza to the pandemic -- and we can do so again.

**WHAT THE GOVERNMENT SHOULD DO**

While businesses adjust, strong government action is crucial. Bangladesh must open formal talks with US counterparts to seek relief or exemptions. Trade officials should make the case that this tariff hurts a key ally and a developing country that imports US goods like cotton duty-free.

Bangladesh can also coordinate

with countries like Vietnam and Sri Lanka to raise concerns at the WTO. A united front adds weight.

Longer term, we should seek trade agreements -- such as a Free Trade Agreement or inclusion in a revived GSP. To support this, Bangladesh must address US concerns, especially around labour rights and factory conditions.

Some suggest retaliatory tariffs, but this carries risks. We depend on US imports like cotton and machinery. Such leverage should be used only as a last resort.

Domestically, the government should provide relief -- tax breaks, credit support, or temporary financial aid -- to help factories weather the shock.

Finally, we must reduce over-dependence on garments. Within

RMG, incentives for higher-value products and local textile production are vital. Beyond that, boosting sectors like pharmaceuticals, IT, leather, and agro-products will help cushion future shocks.

**MOVING FORWARD**

As I write this, both as a banker and a concerned Bangladeshi, I feel the weight of the 37 percent US tariff -- a jarring reminder of how exposed we are to global forces. Our best insurance now is to be prepared. Like what we do in banking, we must spread our risk -- finding new buyers, moving up the value chain, and future-proofing our economy. This tariff is a setback, but not the end of our story.

*The author is the managing director and CEO of City Bank.*

# Rubber producers hit

FROM PAGE B4  
However, Uddin remains optimistic about the industry's future. He believes that overall demand for natural rubber will rise as the economy grows.

Additionally, he expects Gazi Tyre to resume purchasing at previous levels once a new factory is operational. He mentioned that the other big player in the market, Meghna Group, which produces

bicycles, was unaffected.

"Currently, there are only two major consumers of rubber in Bangladesh, making the industry highly dependent on their operations. Once both are back in full production, we will see positive changes," he added.


Mustafizur Rahman, assistant general manager (commercial marketing) of Gazi Tyre, said they were currently processing

rubber on a limited scale for future use.

He added that they were aiming to resume production by August.

"We are currently preserving processed rubber and will start production once our financiers approve refinancing," he said.

If banks approve loans to reestablish the tyre factory, it will take a maximum of four months to restart operations, Rahman said.



**Dhaka South City Corporation**  
Zone-5, (Sayedabad)  
www.dhakasouthcity.gov.bd

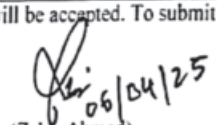
Ref. No. 46.207.000.21.16.0003.2025 Date: 06/04/2025

## Corrigendum

e-Tenders are invited in e-GP portal (<http://www.eprocure.gov.bd>) by Executive Engineer, Zone-5 Dhaka South City Corporation for the procurement of following package, which will be available at e-GP website form 09/03/2025 at 22.00 This is notify for all concern that the e-tender Notice Which was circulated vide this office Memo No : 46.207.000.21.16.0002.2025 Date: 09/03/2025 Due to unavoidable circumstances the following tender selling and Closing date has been shifted as below.

Sl No.	Tender ID, Ref No & package No	Name of works	As in Notice		Amendments (1 <sup>st</sup> )	
			Last Selling date and Time	Tender Closing Date & Time	Last Selling date and Time	Tender Closing Date & Time
1.	Tender ID- 1077061 egp/dscc/z-05/24-25/P-16	Development works of lane and bylane road adjacent to Noakhali Patti and Muradpur High School (Road ID- 0552L-5687,5688, 5689, 5691, 5692, 5714, 5729, 5730) including drain under ward-52.	03-Apr-2025 13:30	03-Apr-2025 15:30	10-Apr-2025 13:30	10-Apr-2025 15:30
2.	Tender ID- 1081801 egp dscc/z-05/24-25/P-17	Repairing works of road cutting done by different organizations all wards Under Zone-5 at Dhaka South City Corporation.	03-Apr-2025 13:30	03-Apr-2025 15:30	10-Apr-2025 13:30	10-Apr-2025 15:30

This is an online Tender, where only e-Tenders will be accepted in e-GP portal and no offline/hard copies will be accepted. To submit e-Tender, please register on e-GP system portal (<http://www.eprocure.gov.bd>).

  
 (Zahid Ahmed)  
 Executive Engineer  
 Zone-5 (Sayedabad)  
 Dhaka South City Corporation

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