



CUTS International *Global Affairs*

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Unintended Consequences: The Downside Effects of Trumpism 2.0

-Let us not miss the woods for the trees

The resurgence of "Trumpism 2.0" has ushered in a series of aggressive trade and other policies, and political manoeuvres that are generating significant global and domestic repercussions. These actions, while intended to 'bolster' U.S. interests, are leading to unintended consequences that may undermine America's global power status.

A pivotal move in this new era is President Donald Trump's imposition of a 25 percent tariff on imports from any country purchasing Venezuelan oil. This policy aims to isolate Venezuela's government by discouraging international trade partnerships. However, it risks straining relations with major economies like China, which is a significant importer of Venezuelan crude. The potential fallout includes disruptions in global oil markets and escalating trade tensions that could adversely affect U.S. economic interests.

Further exacerbating trade disputes, President Trump has threatened 100 percent tariffs on BRICS nations—Brazil, Russia, India, China, and South Africa—if they pursue alternatives to the U.S. dollar in trade. This stance could potentially diminish U.S. influence in global trade and finance.

The international business community is already responding to these protectionist measures. For instance, Swiss chocolatier Lindt has decided to reroute its Canadian supply chain, sourcing products directly from Europe instead of the U.S. to circumvent retaliatory tariffs. This shift impacts U.S. suppliers and signals a broader trend of companies seeking alternatives to U.S. partnerships amid escalating trade barriers. There are myriad such examples.

On the domestic front, the administration's policies are influencing political dynamics in neighbouring countries. In Canada, Prime Minister Mark Carney has called an early election, seeking a mandate to address challenges posed by Trump's statement that Canada can become the 51st State in the USA and the punishing tariffs. This development highlights the broader geopolitical ramifications of the current U.S. administration's approach.

Compounding these issues, the mass dismissal of federal workers due to concerns over 'potential espionage' has raised alarms about national security and operational efficiency within the U.S. government. Such actions may lead to a loss of institutional knowledge and hinder the effective implementation of policies, further complicating the administration's objectives.

Coming to the so-called Liberation Day (April 02, 2025), what does it mean for the rest of the world. In the overall, they will be badly affected due to the resultant economic turbulence. This is accompanied by the climate change disaster as a double jeopardy, because Trump has pulled out of the Paris Agreement. The third risk is on newer diseases and pandemics, as Trump will also be curbing its support to the WHO. In the overall quite a dismal future for the humanity. Let us not miss the woods for the trees.

In summary, the assertive strategies, as characteristic of "Trumpism 2.0", are producing a cascade of unintended consequences. From alienating key international partners and disrupting global markets to prompting domestic and foreign political shifts, these policies risk isolating the U.S. and diminishing its influence on the world stage.

Pradeep S. Mehta
Editor

P.S.: The worst case is that the US has neutered the WTO dispute settlement system by withholding the appointment of appellate body judges, and has now rubbed salt on the wound by suggesting the holding back of its financial contribution to the WTO Secretariat.

Message for our Readers

This is the eighty-fourth edition of the Monthly Brief from the Centre, which carries select published news or comments on a relevant issue. There are equally important issues which may have been missed out to keep the Monthly Brief short and swiftly readable.

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'Silver lining for India if it strikes special deal with US': Fareed Zakaria

Fareed Zakaria suggests that a special trade deal between India and the US could benefit India by reducing tariffs, leading to increased efficiency, productivity, and growth. He emphasises the importance of India integrating into the global economy through broader deregulation and investing in futuristic technologies with western partners.

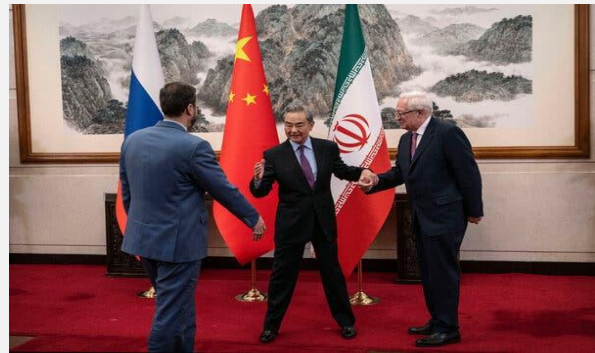


- [Trump's tariff threat rattles Mexico's automotive industry](#) | Le Monde
- [China delays \\$23B sale of Panama Canal ports to US-backed consortium led by BlackRock](#) | New York Post
- [US Consumer Confidence Tumbles Again to Lowest Since Early 20](#) | Bloomberg
- [Li Ka-shing family's CK Hutchison to sell Panama port assets to BlackRock](#) | Nikkei Asia
- [Chinese investors secretly funnel millions into Elon Musk's SpaceX, xAI and Neuralink](#) | Financial Express
- [Giorgia Meloni warns EU against 'vicious circle' of tariff war with Donald Trump](#) | Financial Times

Strategic Issues

China Backs Iran in Nuclear Talks, Slams 'Threat of Force' From the West

China and Russia joined Iran in opposing Western sanctions after Trump sought nuclear talks, warning of military action. Beijing and Moscow support Tehran diplomatically, contrasting past stances. Iran, wary of Russian influence, relies on China's oil purchases. The divide among major powers gives Iran strategic room to manoeuvre.



- [U.S. resumes Ukraine military aid and intelligence sharing as Kyiv approves a ceasefire](#) | NPR
- [Rebuilding Europe's defense capacity will take ingenuity, time](#) | Roll Call
- [Philippines Wants to Expand 'Squad' Grouping to Include India, South Korea](#) | The Diplomat
- [Got trashes Pak bids to pin Baloch attack on India, rake up J&K at UN](#) | Times of India

Energy and Climate



Warming causing CO₂ levels highest in the past 8,00,000 years: WMO

The WMO's *State of Climate 2024* report confirms record-high CO₂, CH₄, and N₂O levels, driving 2024's temperature 1.55°C above pre-industrial levels. Oceans warmed, glaciers melted, and sea levels rose at double the previous rate, worsening extreme weather. The world risks surpassing 1.5°C long-term warming by 2029.



- [Keeping the climate agenda on track in a Trumpian world](#) | East Asia Forum
- [EU targeting energy laws in drive to cut red tape, sources say](#) | Reuters
- [Myanmar aid groups face major hurdles to delivering quake relief](#) | Nikkei Asia



Don't allow boundary disputes to define bilateral ties

Chinese Foreign Minister Wang Yi urged India and China not to let their boundary dispute define ties, advocating cooperation. He highlighted progress in normalising relations after military disengagement and emphasised joint responsibility in global governance. As 2025 marks 75 years of diplomatic ties, Beijing seeks stable, constructive engagement with India.



- [NATO Chief Urges Europe to 'Step Up' as US Turns Toward Asia](#) | LiveMint
- [Trump says military force not off table for Greenland after Danish foreign minister scolds his administration](#) | Economic Times
- [Foreign aid can be effective without the US](#) | Financial Times
- [Trump administration mulls new travel ban that could hit 43 nations: Report](#) | Aljazeera
- [Old US-Canada relationship is 'over,' warns Canadian prime minister](#) | CNN
- [Mauritius is family, it's the bridge between India and the Global South](#) | The Hindu
- [A charter for India to negotiate global chaos](#) | Hindustan Times



WTO Chief Calls for Calm Amid Mounting Trade War

WTO chief Ngozi Okonjo-Iweala urged calm amid escalating global trade tensions as US President Trump imposed steep tariffs on allies and rivals. She reassured that the US remains engaged with WTO, despite concerns. While acknowledging challenges, she emphasised that global trade continues largely under existing WTO rules.



- [The US has spurred the Chinese chip industry](#) | Financial Times
 - [North American pipeline company warns Trump tariffs will hit fuel prices](#) | Financial Times
 - [Inside Russia's shadow war in the Baltics](#) | Financial Times
 - [Trump says he expects to sign Ukraine minerals deal soon](#) | Reuters
 - [There ain't no Golden Age- just Trump, turmoil, and financial freefall](#) | Economic Times
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Miscellaneous

South Africa envoy expelled from US 'has no regrets'

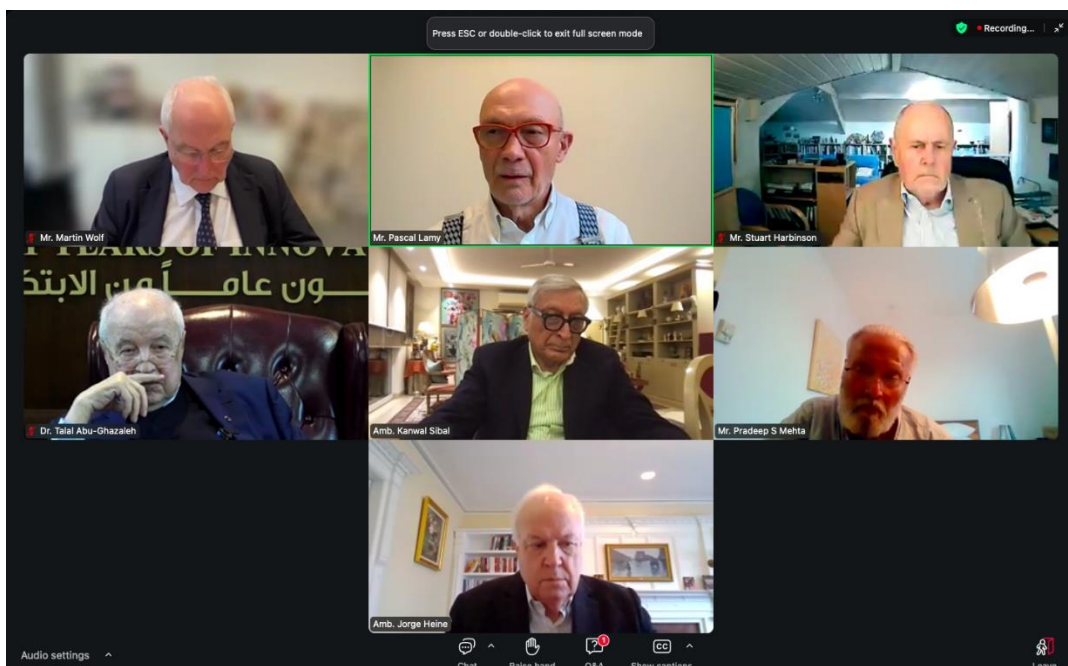
South Africa's Ebrahim Rasool was expelled from the US after criticising Donald Trump's policies. Returning home, he defended his remarks, warning of changing US dynamics. His expulsion follows worsening US-South Africa ties, including aid cuts over land reform. Rasool, previously ambassador under Obama, expressed regret over missed diplomatic engagement.



- [RSS calls to stand in Solidarity with the Hindu Society of Bangladesh](#) | The Hindu
- [Three-Quarters of US Scientists in Nature Poll Consider Leaving the Country](#) | The Epoch Times
- [Kenya to run out of HIV supplies from May](#) | The Star

CUTS Events

Trump and the Indo-Pacific: Are we going to peel onions with our naked eyes?



CUTS International Breakfast Roundtable Discussion

