

With protective trade policies, America risks isolation

Editoriale

For more than a decade, the United States has been throwing sand in the gears of world trade. During his first term as president, [Donald Trump](#) took the country out of the Trans-Pacific Partnership, emasculated the World Trade Organization's dispute settlement mechanism, and slapped tariffs on imports from friends and foes. President Joe Biden largely continued this approach, adding rhetorical flourishes about forging a "[new consensus](#)" to limit globalization.

At the end of his presidency, Mr. Biden has decided [to block](#) a Japanese company's acquisition of U.S. Steel — even though Japan is among America's closest allies in the Pacific. And even though Nippon Steel made serious commitments to invest further in the U.S. economy.

And now Trump 2.0 is promising tariffs on ... everybody.

The rest of the world doesn't want to play ball, however. As the United States walls itself off from the global economy, other countries are instead trying to further entwine economically. It's not just China, eager to sign trade agreements [with everyone](#). Many governments — including Ecuador, Indonesia and Taiwan as well as China — are [waiting in line](#) to sign on to the Pacific partnership that emerged after the United States dropped out. [African countries](#) are working to tie their continent together into one big free-trade zone. Even India, one of the most protectionist countries on the planet, has moved on some [trade deals](#).

So far, U.S. efforts to slow globalization have not worked. Global trade is on track to [hit a record](#) of \$33 trillion in 2024, about \$1 trillion more than in 2023. Washington hasn't even kept America's own [imports from growing](#).

But its protectionism is spurring other countries to join together, to [guarantee access to markets](#). Case in point: After 25 years of largely fruitless negotiations, the European

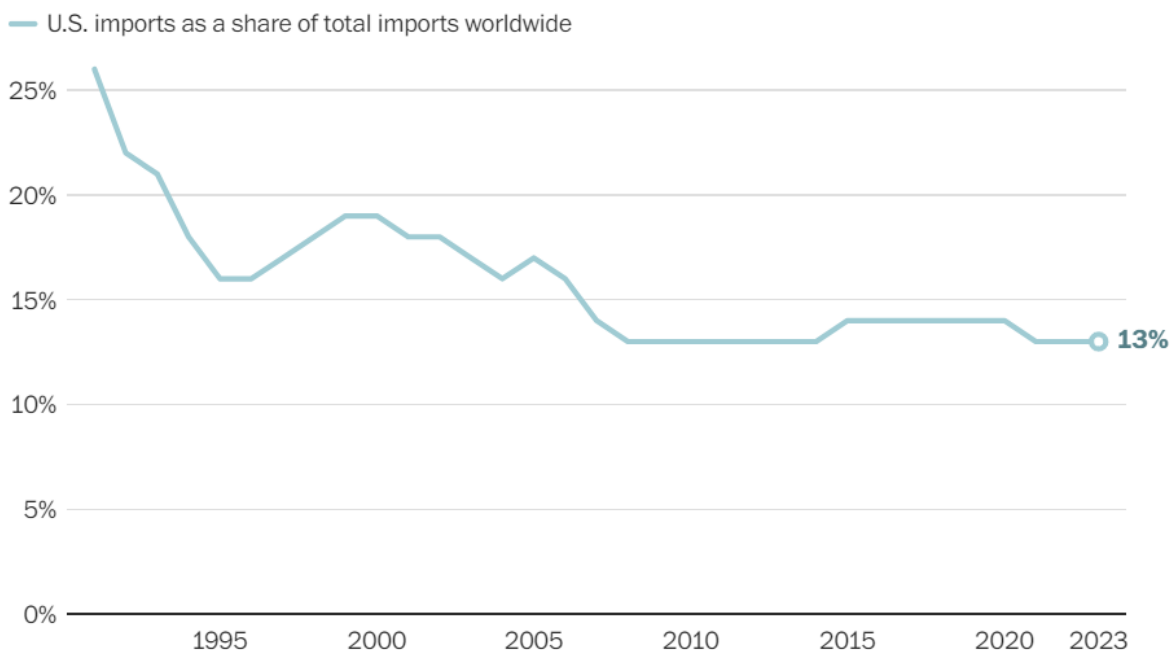
Union recently overcame the hostility of French farmers and [signed a trade agreement](#) with South America's Mercosur trading bloc.

As the European Commission [explained in a news release](#), “At a time when protectionist pressures are growing, a partnership agreement between the EU and Mercosur sends a clear signal to the world that two of its largest economies reject protectionism, and are open for business and for trade on the basis of fair rules and high standards.”

To be sure, [protectionist measures](#) are still proliferating around the world as countries rich and poor have deployed subsidies for national champions, such as European farmers, and trade barriers to protect specific industries. The deal between Mercosur and the European Union still requires ratification by the European Council and the European Parliament.

Yet the divergent paths taken by the United States and most of its allies threaten American leadership on the international stage. And by disconnecting from global trade, the United States endangers its own future prosperity.

The U.S. import footprint is shrinking



Data before 2005 from World Bank

Source: WTO and World Bank

The United States is a mighty economy, but it cannot afford to go it alone. Although it is the world's largest buyer, it accounts today for only [about 13 percent](#) of global

imports, down from more than one-fifth in the early 1990s. So it is unlikely that Mr. Trump's threat to set up roadblocks to imports from everywhere will bend all other nations to his will.

Some countries are particularly dependent on the United States: Mexico's exports to its northern neighbor amount to some 30 percent of its gross domestic product. The mere threat of tariffs against Canadian goods brought Prime Minister Justin Trudeau running to see Mr. Trump at Mar-a-Lago. But for other countries, the U.S. market is no longer as essential to prosperity. Many [could quickly recover](#) from losing access to U.S. buyers. According to one study, even China could find alternatives for all its exports to the United States by 2027.

Ideally, Mr. Trump and his team will recognize the damage that encircling the country with tariffs and other barriers against investment and immigration would do to the U.S. economy. And they will see how such barriers would complicate the nation's critical foreign policy goals.

U.S. foreign policy over the past two administrations has aimed to contain China — by barring its access to critical technologies and preventing its companies from taking dominant positions in strategic industries around the world. Continuing these efforts will require cooperating with allies. Angering them by blocking their access to the U.S. market would be counterproductive. A protectionist trade policy will only isolate the United States.