Trump’s Tariff War: Why BRICS Is His Latest Target

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Trump BRICS Tariff Threat Latest News

- President Trump has threatened 10% tariffs on BRICS nations after their Rio summit 2025, continuing his pattern of trade-related warnings.

Trump Sees BRICS as a Threat

- Donald Trump views BRICS as “anti-American” due to its push for a BRICS common currency and cross-border payment systems that bypass the US dollar.
- He has repeatedly threatened high tariffs to deter such moves, especially after BRICS expanded and promoted local currency trade following Western sanctions on Russia.

Tariff Threats Targeting BRICS

- As BRICS leaders met recently in Rio for the 17th BRICS summit, President Trump warned of an additional 10% tariff on any country aligning with BRICS, calling it a penalty specifically for BRICS membership.
- Though earlier he had threatened 100% tariffs, it’s unclear if or when these measures will be enforced.

- Trump's irritation is largely driven by BRICS efforts to bypass the U.S. dollar in global trade.
- Alongside this, his administration has imposed 50% tariffs on Brazil, citing political bias against former President Bolsonaro, and 30% tariffs on South Africa over trade disputes and concerns about Afrikaner rights.
- Trump is also pushing for the Sanctioning Russia Act of 2025, proposing 500% tariffs on Russian oil and sanctioned products — a move that could directly affect India and China, two major Russian oil importers.

BRICS Denies De-Dollarisation Threat

- BRICS members have rejected Mr. Trump's concerns about de-dollarisation, clarifying that using national currencies within BRICS isn't aimed at replacing the U.S. dollar globally.
    - De-dollarisation is the effort to reduce dependence on the US dollar as a reserve currency, medium of exchange, and unit of account.
    - This push intensified after Russia's invasion of Ukraine, which led to sanctions and exclusion from dollar-based systems like SWIFT.
    - Countries viewed this as the U.S. weaponizing the dollar. Additionally, overreliance on the dollar creates global financial vulnerabilities.
    - Emerging economies, gaining economic strength, now seek a more balanced and diversified financial system.
- The 2025 BRICS Rio Declaration avoids direct challenges to the dollar, focusing instead on improving cross-border payment system interoperability.
- While some leaders' rhetoric has been anti-U.S., official BRICS statements only express general concerns over unilateral trade measures without naming the U.S.

India Distances Itself from BRICS De-Dollarisation Push

- India has firmly rejected U.S. claims that BRICS is "anti-American."
- The government clarified in Parliament that Russia's report on alternative currencies was merely noted, not endorsed by all BRICS members.
- External Affairs Minister S. Jaishankar confirmed there is no Indian policy to replace the U.S. dollar, highlighting differences within BRICS on this matter.

BRICS: Diverse Members, Common Frustration

- Founded in 2009 after the U.S. financial crisis, BRICS now includes 10 countries.
    - BRICS has expanded beyond its original five members to include Egypt, Ethiopia, Indonesia, Iran, and the UAE, with more countries seeking to join.
- Despite political and ideological differences, members agree global power favours the U.S. too heavily. Still, nations like India caution against giving BRICS an "anti-West" image.
- During the Rio summit 2025, BRICS leaders condemned unilateral tariffs, indirectly criticising U.S. trade policy.
- They also expressed concern over attacks on Iran's civilian infrastructure, without directly naming Israel or the U.S., showing diplomatic restraint.

Source: TH | CNN