



By: [Daniel Lacalle](#)

Businesses should negotiate tariffs



The Trump administration has announced an important package of reciprocal tariffs. In the “2025 National Trade Estimate Report on Foreign Trade Barriers”, the US government **details** all the different tariff and non-tariff barriers imposed by other nations against the United States.

The US administration asserts that these mounting barriers against US companies significantly contribute to the enormous \$1.2 trillion goods deficit.

These trade barriers include fiscal, administrative, licence, and so-called environmental limitations that effectively work as tariffs, apart from direct bans and thefts of intellectual property.

What I find fascinating is that most of the United States complaints against the European Union coincide exactly with the claims of the European industrial, agricultural, and farming sectors.

Enormous licence delays; gigantic bureaucratic and investment limits and burdens; senseless regulations; and excruciating taxes.

Trading in the European Union is challenging due to regulatory and economic barriers. The IMF **estimates** that the European Union's hidden tariffs through internal barriers increase prices in the manufacturing sector by 45% and a whopping 110% in the services sector.

When one reads the 30-plus pages of the European Union chapter, it is evident that the problem is not the United States protectionism but the European Union's wall of protectionist measures. Furthermore, lifting those barriers would enormously benefit the European Union and United States companies.

The EU is not willing to negotiate hidden tariffs

Unfortunately, the European Union is not

willing to negotiate hidden tariffs and trade barriers. The leaders of each nation prefer to use the United States as a scapegoat, and they have proposed a package of loans, subsidies, and grants that will increase the interventionist nature of the European economies, continue to weaken their agriculture, industrial, and farming sectors, and probably limit growth and investment.

The risk of using tariffs as a negotiation tool is that the opponent might prefer to hurt its citizens rather than change its protectionist policies. The European Union leaders believe that the solution is to close their markets even more and maintain all the burdens we outlined.

Interventionists love any opportunity to be more interventionist and present themselves as the solution to the problems they create

Although the internal burdens in the European Union are so large that they have single-handedly destroyed its industry, there appears to be little to no will to eliminate destructive policies like the 2030 Agenda, the CO₂ tax and other limitations.

Despite the majority of businesses in the European Union advocating for the removal of the barriers highlighted in the US government's report, governments appear to prioritise protecting job creators, continuing to provide subsidies to North African countries that do not bear the same burdens as US and EU companies, and causing harm to exporters.

Interventionists love any opportunity to be more interventionist and present themselves as the solution to the problems they create.

Companies can negotiate directly

The reciprocal tariffs that the Trump administration has announced can be

negotiated. If governments reject this option, business associations and companies can negotiate directly.

Furthermore, European businesses should demand that the European Union abandon its self-destructive regulatory nature and finally lift the tariffs and non-tariff barriers that they impose on investors and job creators.

Regrettably, the world has identified the Trump tariffs as the most convenient target. Now, the mainstream narrative will blame the Trump administration for the inflation the government created by printing and overspending and the economic slowdown engineered by rising public spending, debt, and taxes.

Protectionism only protects governments, and the ones who will pay for all the mistakes made by their leaders will be businesses and families

The world will rejoice at the implementation of even higher protectionist measures to combat the reciprocal tariffs.

Who wins a trade war? No one. Protectionism only protects governments, and the ones who will pay for all the mistakes made by their leaders will be businesses and families.

The world understands that the solution is free trade

The United States needs to reduce its unsustainable trade and fiscal deficit. The world needs to negotiate the barriers against United States trade that have been a norm since 2001.

The rise of protectionism did not come with Trump. Trump is the catalyst who has shown everyone globally that our governments are not champions of free trade but of interventionism.



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American tariffs are not an optimal solution. They are not even desirable. However, they are the only available option for the United States after almost two decades of rising trade limitations against US companies.

Businesses can negotiate and must demand that their governments address and eliminate the enormous trade barriers that have plagued companies in the past twenty years. It must be a double course of action.

If entrepreneurs succumb to the trap of endorsing their governments with retaliatory measures, they will not only endure the burden of confiscatory taxes and trade restrictions, but they will also bear the brunt of the trade war's impact on economic growth and sales.

For example, the Spanish government has promised \$16 billion in cheap loans and organised various study groups and committees. This will achieve nothing and, at best, make companies more indebted while all the trade barriers remain unchanged.

Only extreme cases should warrant the use of tariffs. They are not ideal; they are neither perfect nor advisable. There are many reasons to criticise them, but we must understand that current levels of unfair treatment in the United States are unsustainable.

So far, the announcement of Trump's tariffs has converted European and UK socialists into

staunch defenders of free trade and open markets. This is already an achievement.

Furthermore, the tariff threat has made the global public realise the enormous trade barriers implemented by their governments. Finally, the world understands that the solution is free trade. It's time to remove both tariff and non-tariff barriers. We will all win.