



By: TA | AP Insight

A new tariff war between the US and Brazil is on the horizon



The Brazilian government has decried the latest **U.S. tariff** on certain Brazilian imports and threatened to impose reciprocal tariffs against U.S. products.

The United States on Wednesday said it would impose a new 25% tariff on certain imports from Brazil, citing unfair trade practices by the world's 10th-biggest economy.

The tariffs, first proposed last month, will take effect July 22. The order exempts some goods that are not produced in the U.S. or that officials worry would disrupt supply chains — including coffee, beef, oranges and orange juice and aircraft components.

In a statement late Wednesday, the office of President Luiz Inácio Lula da Silva refuted the U.S. allegations of unfair trade practices. It said 76% of imports from the United States entered Brazil duty-free in 2025, and said the average tariff effectively applied to U.S. products was only 3.1%.

It said it has taken steps to impose reciprocal tariffs, along with other trade-related countermeasures.

“Brazil will immediately begin the procedures necessary to invoke the mechanisms provided for under the reciprocity law ... and will also pursue the matter through the World Trade Organization’s dispute settlement mechanism,” it said, referencing a mechanism that allows it to respond with countermeasures.

The U.S. has a robust trade surplus with Brazil

The United States has for years run a massive trade deficit with the rest of the world, and Trump has cited the lopsided trade numbers to justify his **aggressive use of tariffs**.

But Brazilian imports make an unusual target: The U.S. has persistently piled up trade surpluses with Brazil. Last year, in fact, U.S. exports to Brazil exceeded imports by nearly

\$42 billion; only the United States’ trade surpluses with the Netherlands and the United Kingdom were higher.

The new tariff puts pressure on national exports and increases insecurity for companies in both countries, Brazil’s National Confederation of Industry said in a statement Thursday.

The Trump administration first imposed a **50% tariff** on Brazilian imports last July.

He cited what he called a “witch hunt” against former President Jair Bolsonaro.

Marco Rubio said that the tariffs were the result of Lula putting his own ego ahead of making a deal

Trump's ally was on trial at the time for attempting a coup despite his 2022 electoral defeat to Lula and was later convicted. Some of those tariffs were **later rescinded**.

U.S. President Donald Trump at the time also accused Brazil of unfair trade practices and said he had directed U.S. Trade Representative Jamieson Greer to initiate an investigation under Section 301 of the Trade Act of 1974.

That led the office to charge Brazil with lax anti-corruption enforcement and unfair tariffs, among other things, in June.

Lula pointedly referenced that history late Wednesday, blaming the latest round of tariffs on the Bolsonaro family.

Lula’s office also said: “Brazil does not recognize the legitimacy of investigations that are not grounded in the multilateral rules governing international trade.”

U.S. Secretary of State Marco Rubio said in a post on X announcing the tariff that they were the result of Lula putting “his own ego ahead of making a deal” and not negotiating with the U.S. in good faith.

Brazil’s government rejected that claim, saying

it had “never left the negotiating table.”

Brazil elections may be impacted

The tariff is likely to increase tensions between the two countries ahead of **Brazil's presidential elections** in October, when President Lula is expected to face Sen. Flávio Bolsonaro, a son of former President Jair Bolsonaro.



Lula is no longer fit to be the president of Brazil. We are on a plane without a pilot - Flávio Bolsonaro

Flávio Bolsonaro reposted Rubio's statement, along with the comment: “Lula is no longer fit to be the president of Brazil. We are on a plane without a pilot.”

He called Lula “the Brazilian Biden” and said he “is grumpy, reckless, and has become a danger to our nation.”

The two top candidates for October's presidential election have previously traded barbs over their responses to the deeply unpopular U.S. tariffs, suggesting that they believe how they are perceived as handling them will be a key factor in the vote.