

## Economists see ripple effect from higher prices

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ECONOMIST Dr Marlene Attzs believes the newly imposed 10% tariff on Trinidad and Tobago products entering the United States will cause a ripple effect.

'The ripple effect is: (United States) puts a tax on imported goods leading to US stores paying more, which means they will raise prices causing everyone (even online shoppers outside the US) to feel it in their wallet,' she said yesterday.

In a WhatsApp exchange with the *Express*, she said in addition to this baseline tariff, about 60 countries have been singled out for higher, country-specific tariff rates due to what the US administration describes as 'unfair trade practices' with the US.

'This revised tariff structure is part of (US President Donald) Trump's broader 'Make America Great Again' agenda, aimed at stimulating US economic growth and directly addressing the US\$1.2 trillion trade deficit recorded in 2024-meaning the US imported US\$1.2 trillion more in goods than it exported that year,' she observed.

Attzs said the implications of this tariff policy for T& T were twofold: ● All goods exported to the US, including liquefied natural gas (LNG) from T& T, will face increased costs for US importers due to the 10% tariff.

● Consumer prices in the US are likely to rise, particularly for products heavily imported from countries like China (the revised tariff on Chinese goods is a minimum of 34%, so this is an additional \$0.34 on a good imported from China, which if the original price was \$1 it now costs \$1.34). These higher costs could lead to inflation, which also could have a ripple effect on online platforms such as Amazon, Walmart, and Target- impacting the prices of goods purchased by US consumers but also international consumers in T& T and across the Caribbean who rely on these sites for online shopping.

Economist Dr Indera Sagewan said the tariff meant that T& T exports to the US will be subjected to this tariff, making them more expensive to US importers and consumers, rendering local exports less competitive.

'The thing is, T& T isn't being singled out for special negative treatment; the US is applying same or higher tariffs on imports from potentially all countries exporting into the US. This means a similar position for all these countries. What we need to be concerned about is the inflationary impact on the US market and the potential slowdown of that economy. If this happens, we can see reduced demand for our exports,' said Sagewan in an interview with the *Express* yesterday.

Sagewan said both domestic producers and consumers will be impacted.

'So far as we buy intermediate and finished goods from the US which may have entered the US market from another country subjected to a much higher tariff. This means increased inflationary pressure in our markets. Already, inflation has eroded the pockets of individuals and forced many small businesses to close down over the past few years,' she explained.

Sagewan noted that nothing in the short run can be done, but in the medium to long term, look for new markets to both buy and sell from and which offer more competitive prices.

'But there is more to come from the Trump administration, so the full impact is yet uncertain,' she said.