

# PM on US tariffs: We are exploring all options



Prime Minister Kamla Persad-Bissessar



Patriotic Front political leader Mickela Panday

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Despite yesterday being the deadline for the US to impose a 15 per cent tariff on goods from T&T, Prime Minister Kamla Persad-Bissessar is assuring the nation that her government is exploring three response options, including continued dialogue with the United States.

The increase is expected to affect T&T's manufacturing and export sectors.

While energy products like crude oil and natural gas are exempt, major exports such as ammonia and methanol will face the new tariff.

August 7 was designated as the deadline for the imposition of the tariff.

Speaking during a tour of the USNS Comfort, a US Navy hospital ship docked at the Port of Port-of-Spain, Prime Minister Persad-Bissessar told reporters that, with regard to the tariff, "we have three options. We are following all three options."

The PM elaborated on two of them as she added, “One is, of course, to engage in conversations with our friends from the United States. The second that we’ve already begun is looking for alternative markets we can export. I think the products that we most need will be our ammonia and methanol products, energy products. But then our competitors are also being hit with tariffs.”

Persad-Bissessar noted that reciprocal tariffs are being imposed globally and therefore other nations would be similarly affected.

“So, if it reduces our competitiveness, theirs is also reduced.”

The United States remains Trinidad and Tobago’s largest trading partner, with total trade estimated at approximately US\$6 billion.

Trinidad and Tobago and Guyana are subject to a 15 per cent tariff, while other Caricom members remain at the lower rate of ten per cent that US President Donald Trump announced on April 2.

A reciprocal tariff is a tax imposed by one country on imports from another country, designed to match or “reciprocate” the tariffs that the other country places on its own exports.

The United States has said it is imposing reciprocal tariffs to address several concerns, including correcting trade deficits, combatting unfair trade practices, and protecting its domestic industries by making imports more expensive. The tariffs also serve as a negotiating tool to push for fairer trade agreements and, in some cases, are used to advance broader foreign policy goals, such as discouraging purchases of Russian oil. Minister of Trade, Industry and Tourism Satyakama Maharaj has previously framed the tariffs as a “blessing” and a “wake-up call” that should encourage T&T to diversify its export markets. He suggested that this is an opportunity for the country to reduce its reliance on the US and actively seek new trade partners.

In July, Caricom chair and Jamaica’s Prime Minister Andrew Holness announced that while talks with the Donald Trump administration continue, the time had come for the region to take trade diversification, especially within the Caribbean, more seriously.

Patriotic Front concerned

The Mickela Panday-led Patriotic Front is worried that the new tariff is an economic blow that threatens to destabilise key sectors of the local economy.

In a news release Panday said, “The imposition of US tariffs on Trinidad and Tobago’s exports poses a direct threat to our already fragile economy. These tariffs will devastate the manufacturing sector, energy-adjacent exports and foreign exchange earnings, especially as the US accounts for nearly 40 per cent of our exports.”

She added, “As a result, local businesses face rising costs, job cuts and shrinking export revenue. The ripple effects of this will be felt in further foreign exchange shortages, increased inflation, and pressure on the TT dollar.”

The Government’s response so far has drawn sharp criticism from the Patriotic Front.

“Foreign Affairs Minister Sean Sobers admitted he got last-minute instructions from the Prime Minister at 1.30 am over the weekend.

This response has been clumsy at best, reckless at worst. Then Trade Minister Satyakama Maharaj called the tariffs a “blessing.” Respectfully, that’s a dangerously naïve take on a crisis that demands clear-eyed urgency and action.”

She also condemned what she described as Finance Minister Davendranath Tancoo's silence on the matter.

Panday is urging the population to understand the gravity of the situation.

“The livelihoods of thousands of citizens, our export sustainability, and our ability to maintain essential imports all depend on an active, strategic, and transparent government response.”