<u>Trump Administration to Confront</u> <u>Countries With New Tariff 'Number'</u>

Treasury Secretary Scott Bessent provided new details into how President Trump will roll out a sweeping and elusive tariff measure planned for April 2.

_{Ву} Ana Swanson New York Times

The Trump administration plans to confront countries around the world with a reciprocal tariff "number" on April 2, a figure that will reflect what the White House considers the cost of foreign trade barriers, Treasury Secretary Scott Bessent said Tuesday.

Mr. Bessent said the administration would then carry out negotiations with those countries with the aim of lowering those barriers or putting the reciprocal tariff into place.

"What's going to happen on April 2 — each country will receive a number that we believe that represents their tariffs," Mr. Bessent said in an interview on Fox Business on Tuesday morning. "So, for some countries, it could be quite low. For some countries, it could be quite high."

Mr. Bessent's comments shed new light on a mysterious and sweeping trade action that President Trump <u>announced last month</u>. He and his advisers have said that his so-called reciprocal tariffs will aim to match the tariffs that other countries charge on American exports, while also taking into account other practices the United States deems unfair, like taxes or currency manipulation.

But it has not been clear how the Trump administration might go about determining the new tariff. Trade advisers have been debating whether the administration should raise tariff rates on specific items that face elevated levies abroad — like motorcycles or ethanol — or come up with an average tariff rate for the entire country and then impose that on top of any existing levies.

<u>The Wall Street Journal reported</u> Tuesday that the administration had discussed the idea of separating trade partners into three tariff tiers.

Coming up with new tariff levels for every country around the world presents an enormous logistical challenge. The Office of the United States Trade Representative only has about 200 employees and has received hundreds of comments from businesses seeking to guide the process, on top of various other trade reports Mr. Trump has ordered finalized by April 1.

The United States levies individual tariff rates on about 13,000 foreign products and trades with 200 countries, meaning that there are <u>roughly 2.6 million individual tariff</u> rates that U.S. officials could examine, according to Doug Irwin, a trade historian.

Mr. Bessent said that, on April 2, the Trump administration would "produce a list of other countries' tariffs, and we are going to go to them and say, look, here is where we think the tariff levels are, nontariff barriers, currency manipulation, unfair funding, labor suppression.

"If you will stop this, we will not put up the tariff wall," he continued. "If you do, then we will put up the tariff wall to protect our economy, protect our workers and protect our industries."

Mr. Bessent said that some countries might not face tariffs because they would have already negotiated deals. He argued that this would create a "win-win" situation — either trading partners would lower their trade barriers or U.S. imports would be taxed at a high level, which he said would generate revenue for the government.

"President Trump, as only he can do, has created a win-win situation," he said.

But economists say that tariffs could raise prices for consumers, an outcome that the administration continues to downplay. The prospect of potentially vast tariffs has sparked a rout in the stock market and increasing fears of a recession in recent weeks.

Some companies have also been pushing back against the Trump administration's plans, saying they will be hurt by tariffs that would raise costs on their inputs and disrupt well-established supply chains.

Mr. Bessent said there was "no reason we need to have a recession."

"The underlying economy is healthy," he said.