



ANALYSIS

Economic Backfire: The Costly Impact of Trump's Proposed Tariffs

2024

Summary

This report analyses the potential effects of the US implementing a tariff regime with additional tariffs on imports from China and the rest of the world, as Donald Trump has pledged to do if elected on 5th November 2024. The analysis is based on simulations conducted using the OECD's global trade model, METRO.

Our results indicate negative growth effects across all the analysed countries and regions, accompanied by a substantial decrease in international trade.

While the overall impact on Sweden's trade might be moderate, certain sectors would experience more severe consequences. Sweden's exports to the US would decrease by approximately 16 per cent, with major sectors such as Motor vehicles and transport equipment, and Pharmaceuticals and chemical products being heavily affected. Similarly, the tariffs would impact the EU as a whole, leading to a decline in economic exchange with the US. However, the EU's imports from China would increase by roughly 7 per cent.

The country that would suffer the most is the United States itself, where imports and exports would be expected to drop by 10 and 14 per cent, respectively. Notably, the tariffs would particularly harm the industries they are intended to protect, largely because these sectors are deeply integrated into global value chains. This demonstrates the challenges of using tariffs as a means of protecting domestic industries.

China would be expected to see a decline in trade, greater than that of Sweden and the EU, but still significantly smaller than for the US. Specifically, China's exports to the US are estimated to decrease sharply, by 66 per cent.

The imposition of broad US tariffs poses several significant risks. Firstly, it could drive up costs for businesses and consumers, ultimately contributing to rising inflation in the US. Secondly, tariffs may disrupt global trade flows, particularly hindering the exchange of green technologies, thereby exacerbating existing economic challenges. Thirdly, these tariffs could erode the integrity of the global trading system by weakening compliance with internationally agreed trade rules. Moreover, retaliatory measures could result in escalating trade tensions and heightened political instability. In conclusion, the broader consequences of such actions could be far more severe than initially anticipated.

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1 Introduction

US trade policy has been marked by a significant degree of protectionism since 2017. Presidential candidate Donald Trump has made pledges ahead of the upcoming November 2024 election that further tariff increases against other countries can be expected if he becomes president. Kamala Harris has not been as explicit in her statements regarding trade policy but is expected to maintain the tariff increases against China that Joe Biden began implementing in 2024.

As both the US and China are key trade partners for Sweden and the EU across various sectors, the policy choices these countries make will have a significant economic impact in the coming years for themselves and the rest of the world.

The purpose of this analysis is to estimate the economic impact of the tariff increase suggested by Donald Trump on the United States itself and China as well as for Sweden and the European Union¹ as an aggregate. Results will also be presented for the rest of the world. The analysis is based on simulations conducted using the OECD global trade model METRO.²

The METRO model

METRO is a computable general equilibrium (CGE) model developed by the OECD for analysing primarily trade measures, such as tariff changes and the introduction of non-tariff trade.

CGE analysis is a tool used to assess the effects of policy measures that can impact multiple sectors and countries. This analytical method is particularly suited for studying relative redistributions between countries and sectors, though it is somewhat less effective for estimating changes in absolute values.

The OECD's METRO model is a global model covering 65 sectors, 8 factors, and 161 countries (regions). In the model, countries and sectors are linked through so-called input-output tables. This connectivity allows for the examination of how the effects of, for example, a tariff spread and its impact on trade flows, production, and income. For the analysis, the database is aggregated to focus on 11 regions and 10 sectors.

¹ In this analysis, the EU refers to all 27 member states, including Sweden. EU total trade includes intra-EU trade.

² OECD (2023): METRO version 4 documentation Trade and Agriculture Directorate, OECD, March 2023. [https://one.oecd.org/document/TAD/TC/WP/RD\(2023\)1/FINAL/en/pdf](https://one.oecd.org/document/TAD/TC/WP/RD(2023)1/FINAL/en/pdf)

2 Background

Since Donald Trump's entry into the White House in 2017, US trade policy has become increasingly protectionist. Early in his presidency, the then serving US Trade Representative (USTR) Robert Lighthizer initiated an investigation under Section 301 of the Trade Act of 1974 into China's technology transfer and intellectual property practices, concluding that these actions were discriminatory and harmful to American trade interests.³ The US responded by imposing tariffs on Chinese imports, which prompted China to retaliate with tariffs on US goods.⁴ This escalating trade conflict persisted over the following two years, with both countries continuing to impose and increase tariffs, further straining economic relations and impacting global trade patterns.

In parallel, trade relations between the US and the EU also deteriorated, primarily due to the US imposing tariffs on key European exports, such as steel and aluminium, citing national security concerns.⁵ The EU swiftly responded with more targeted retaliatory tariffs on a range of US products, including agricultural goods, motorcycles, and bourbon⁶, further heightening tensions between the two economic powers. Efforts to resolve the tensions through negotiations led to some tariffs being reduced or removed in later years, but significant disputes remained unresolved.

When the Biden-Harris administration took office in January 2021, there were high expectations for a shift back to more traditional trade practices, with many anticipating a rollback of the protectionist measures implemented by the previous administration. However, instead of a significant departure, the administration largely maintained Trump's tariff regime and, in some cases, even increased tariffs. This strategy, bolstered by the Inflation Reduction Act, focused on protecting domestic industries and jobs by maintaining tariffs and trade barriers in key sectors such as steel, agriculture, and technology. At the same time, a persistently low interest in the WTO and multilateral trade agreements was maintained.

Initiatives like the Trade and Technology Council (TTC) with the European Union raised hopes for improved trade relations, but the outcomes have been limited. While the TTC has fostered cooperation on issues like tech regulation and supply chain security⁷, it has fallen short of resolving major trade disputes, such as those involving tariffs and digital services taxes. The limited success of the TTC reflects the broader Biden-Harris trade policy, which has largely maintained protectionist measures in key areas like steel and technology,

³ U.S. Trade Representative, 'USTR Announces Initiation of Section 301 Investigation of China', *USTR.gov*, 18 August 2017 <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2017/august/ustr-announces-initiation-section>

⁴ Ministry of Finance of the People's Republic of China, 'Policy Announcements', *Ministry of Finance*, <https://gss.mof.gov.cn/gzdt/zhengcefabu/>

⁵ U.S. Department of Commerce, 'The Effect of Imports of Aluminum on the National Security', *Commerce.gov*, 17 January 2018 https://www.commerce.gov/sites/default/files/the_effect_of_imports_of_aluminum_on_the_national_security_-_with_redactions_-_20180117.pdf

⁶ European Commission, 'EU Adopts Rebalancing Measures in Reaction to US Steel and Aluminium Tariffs', *European Commission*, 20 June 2018 https://ec.europa.eu/commission/presscorner/detail/en/IP_18_4220.

⁷ European Commission, Factsheet: EU-US Trade and Technology Council 2021-2024 <https://digital-strategy.ec.europa.eu/en/library/factsheet-eu-us-trade-and-technology-council-2021-2024>

particularly in relation to China. While the US has not escalated trade tensions with the EU, significant trade barriers remain in place, including disputes over digital services taxes and regulatory differences. Although the administration has not imposed new tariffs on the EU, the lack of major breakthroughs indicates a continued focus on domestic priorities, rather than a significant move toward broader trade liberalisation with the EU.

As the presidential election on November 5 approaches, a closer look reveals both shared and divergent aspects in the candidates' anticipated trade policies.

Trump has pledged to increase tariffs on Chinese imports to 60 per cent and to impose an additional 10–20 percentage points on tariffs for other countries, on top of existing tariffs.⁸ Harris has not been as explicit as her opponent regarding trade policy. She is however expected to also take a tough stance on China but being less likely to adopt a confrontational approach towards other countries. This expectation is supported by her support for NATO and Ukraine⁹, as well as her alignment with the current administration's stance and the lack of any statement of intent regarding tariffs in her economic plan.¹⁰ It is therefore likely that she would maintain the imposed and scheduled tariffs presented by the USTR Katherine Tai in 2024.¹¹

⁸ Time, 'Read the Full Transcript of Donald Trump's 2024 Election Speech', *Time*, 29 September 2024 <https://time.com/6972022/donald-trump-transcript-2024-election/>; USA Today, 'Trump Wants a 20% Tariff on Imports', *USA Today*, 15 August 2024 <https://eu.usatoday.com/story/news/politics/elections/2024/08/15/donald-trump-twenty-percent-tariff-economic-policy>

⁹ CBS News, 'Trump and Harris Clash Over China Policies Ahead of 2024 Election', CBS News, 3 October 2024 <https://www.cbsnews.com/news/trump-harris-china-2024/>; Reuters, 'Kamala Harris Says She Will Stand with Ukraine, NATO Allies', *Reuters*, 23 August 2024 <https://www.reuters.com/world/us/kamala-harris-says-she-will-stand-with-ukraine-nato-allies>

¹⁰ Kamala Harris, *Policy Book: Economic Opportunity*, September 2024.

¹¹ U.S Trade Representative, *Federal Register Notice: Section 301 Modifications Determination* (12 September 2024) <https://ustr.gov/sites/default/files/pdf>

3 Simulated scenario: The US impose tariffs pledged by Donald Trump¹²

The analysed scenario is based on Donald Trump's pledge to increase tariffs on all imports and especially imports from China. The analysis simulates the effects of the US imposing a 60 per cent flat tariff on all imported goods from China and at the same time adding 20 percentage points on top of current tariffs for the imports of goods from all other countries. There are no suggested tariffs on services trade and all effects for the Services sector is either due its direct link with the goods sectors through value chains or indirect impacts through the labour and other factor markets. Therefore, the Services sector is not analysed in the report.¹³

An alternative scenario is also simulated where the lower level of 10 percentage points additional tariffs would be applied to current tariffs for all US imports except from China and a 60 per cent flat tariff would be applied to imports from China. This scenario gives similar results as the one presented below but at a somewhat lower level as the main results of the simulation is driven by the shock on tariffs against China. All tables and figures in the main body of the analysis refers to the main scenario. Tables presenting the results from the alternative scenario can be found in Appendix C.

Since it is unknown exactly what measures Harris would introduce and that the estimated effects on the continuation of the tariffs imposed by Biden are very small on an aggregate level, this analysis focuses on Donald Trump's pledged tariff increases.¹⁴

This analysis does not consider potential retaliatory measures against the US from other countries. Previous retaliations against US trade policies have tended to be more targeted and complex, and since there is a lack of explicit statements on such measures, including these measures in the analysis remains somewhat speculative.

In the simulated scenario the regions and countries included are China, France, Germany, Italy, Sweden, the United States, EU23, the Rest of the World, and an aggregate for the world economy. While the EU as a whole is discussed in the text, the tables below present EU23 and selected EU countries separately in order for the table to add up to the world total.

¹² The results of the simulation are primarily presented as percentage differences compared to the reference scenario. These results should not be interpreted as forecasts for the future but rather indicate how the global economy and trade patterns would look today if the modelled tariffs were in place and the world economy had had time to adjust to them. It is also important to remember that the analysis is conducted in a model environment where only tariffs in the US increases. All variation in other variables are results from the model itself.

¹³ Other pledges of tariffs have been floored by Donald Trump, such as raising auto tariffs against Mexico to 100 per cent. However, this analysis focuses on his broadest and most explicit pledges. Fortune, 'Trump Says He'd Put 100% Tariff on Every Car Imported from Mexico if He's Elected', Fortune, 25 September 2024 <https://fortune.com/2024/09/25/trump-100-tariff-every-car-imported-mexico-elected/>.

¹⁴ A rough estimation in METRO of trade effects of Harris following through with Bidens trade policy points to a 0.16% decrease in aggregate imports and a 0.22% decrease in aggregate exports for the US. Bilateral imports from China would decrease by less than 4%.

4 Simulation results

This chapter presents the results from the simulated scenario where the US impose a 60 per cent flat tariff on all imported goods from China and at the same time add 20 percentage points on top of current tariffs for the imports of goods from all other countries. The chapter first gives a broad overview of the macro-economic effects followed by a deeper analysis of the simulated trade effects.

4.1 Macro-economic effects

As summarised in Table 1, our analysis indicates negative GDP effects over the medium term, i.e. 5 to 7 years, for all countries and regions involved. Sweden, together with the three main economies within the EU, France, Germany and Italy, is estimated to see its GDP decrease by 0.02 per cent in real terms. This is somewhat less than for the EU as a whole where real GDP decreases by 0.03 per cent or USD5.5 billion (Table C2 in Table Appendix C).¹⁵

US GDP is estimated to decrease by 0.05 per cent in real terms, or roughly USD14 billion.¹⁶ In nominal terms, the decrease is 1.18 per cent (USD323 billion), pointing to the strong price effects of the suggested tariffs. A factor that could contribute to the smaller GDP effect for the US and EU members is their large share of services in the economy. With services trade neither being hit by any additional tariffs nor being as easily traded as goods, they function as a buffer against sharp drops in both trade, production and GDP.¹⁷

China, the main target of Trump's aggressive tariff policy, is the US's trading partner that fares worst due to the imposed tariffs. China's real GDP is estimated to decrease by 0.18 per cent (USD32 billion), which is much more than the other analysed countries and regions.

One important contributor to both the macroeconomic and trade effects arising from the raised tariffs is the shift in relative trade prices, the terms of trade. As the US is such a big actor on the international market, the imposition of tariffs on their imports presses down the world market prices for all other actors. Meanwhile, US producers will not be able to gain from these lower prices but will instead face higher prices when tariffs have been paid, making their production and exports more expensive.

¹⁵ The METRO model, as most static CGE models, tend to underestimate many macroeconomic effects. The results on GDP and domestic production should therefore be seen as underestimates or floor values.

¹⁶ Based on a US GDP for 2023 at USD27.4 trillion. International Monetary Fund, *IMF Data*, <https://data.imf.org>

¹⁷ World Bank, *Services, value added (% of GDP)* <https://data.worldbank.org/indicator/NV.SRV.TOTL.ZS>

Table 1. Macroeconomic effects, by region/country, percentage change over the reference scenario

Macro-economic variables	China	France	Germany	Italy	Sweden	US	EU23	Rest of the world	World
Real GDP	-0.18	-0.02	-0.02	-0.02	-0.02	-0.05	-0.05	-0.01	-0.05
Import demand	-5.78	-0.61	-0.64	-0.64	-0.44	-11.14	-0.63	-0.06	-2.24
Export demand	-3.23	-0.14	-0.30	-0.21	-0.22	-13.90	-0.28	-0.10	-1.88
Domestic production	-0.34	-0.05	-0.07	-0.05	-0.09	-0.56	-0.14	0.00	-0.20

Source: The National Board of Trade's calculations in METRO

A contributing factor to the negative GDP growth over the medium term is shrinking production. The proposed tariffs will increase the price for and reduce the share of high-quality and competitively sourced inputs in production. This will raise production costs and result in lower productivity, reduced production and less exports.

Domestic production decreases in all the studied economies except for the aggregate Rest of the World. US production sees the biggest drop, 0.56 per cent, followed by China where it is estimated to decrease by 0.34 per cent, which is a major contributor to the drop in GDP. Domestic production in the EU would decrease by 0.1 per cent (Table C2 in Table Appendix C). In Sweden, Germany, Italy and France, domestic production would decrease between 0.05 and 0.09 per cent, with Swedish and German production being most affected.

4.2 Trade effects for analysed regions and countries

This section presents the simulated trade effects for Sweden, the EU, the United States, and China. Before moving on to the results, an overview of trade relationships is provided in Table 2. In 2023, Sweden's total trade, i.e. import and export, was allocated across countries as follows: 62 per cent with the EU, 7.0 per cent with the US, and 4.5 per cent with China. Combined, the EU traded 65 per cent within itself, 6.9 with the US, and 5.7 with China. Meanwhile, 13 per cent of China's trade was with the US, while 14 of US trade was with China.

Table 2. Bilateral trade in goods in 2023, USD billion

		IMPORTER								
		China	France	Germany	Italy	Sweden	US	EU23	Rest of the world	World
EXPORTER	China	-	42	101	45	9	501	305	2 377	3 380
	France	27	-	86	57	7	46	204	213	640
	Germany	106	126	-	91	32	172	661	510	1 697
	Italy	21	69	81	-	7	73	191	236	677
	Sweden	7	9	20	6	-	17	72	67	198
	US	148	45	76	29	9	-	210	1 501	2 019
	EU23	72	270	697	184	74	219	1 090	959	3 566
	Rest of the world	1 082	132	255	140	32	1 587	709	3 711	7 648
	World	1 462	692	1 317	551	170	2 615	3 443	9 574	19 824

Source: UN COMTRADE. The National Board of Trade's calculations.

As shown in Table 3, the region that has the most to lose on the tariffs suggested by Donald Trump is the US itself, at least from a trade and production point of view. The tariffs will not only decrease US imports but will also decrease US exports by even more. The other countries in this analysis will also see a decrease in their international trade but for most of them, imports will be somewhat more effected than exports. While the simulated increase in tariffs will have a big effect on Chinese trade, the decrease will be more marginal for the other countries.

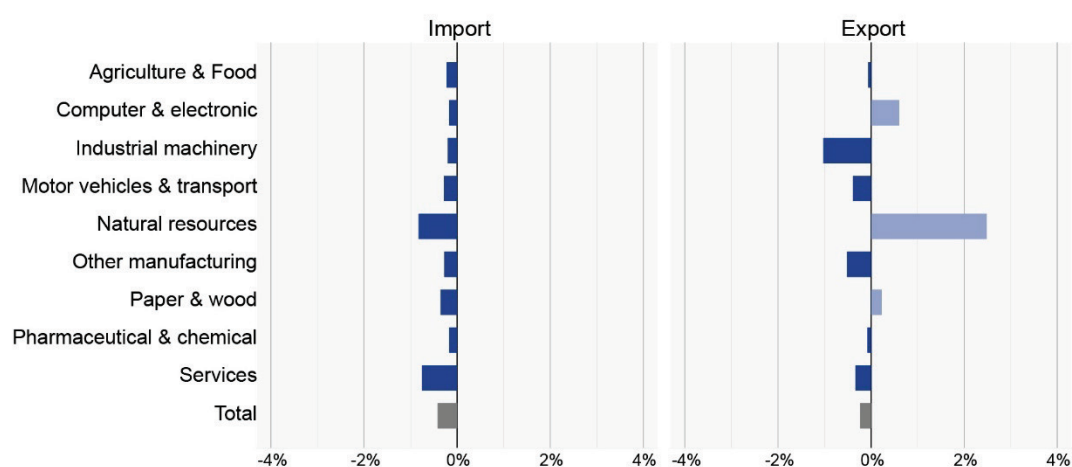
Table 3. Bilateral trade, by region/country, percentage change over the reference scenario

		IMPORTER								
		China	France	Germany	Italy	Sweden	US	EU23	Rest of the world	World
EXPORTER	China	-	6.63	6.72	6.42	6.00	-66.46	6.72	9.54	-4.13
	France	-1.91	-	0.78	0.73	0.55	-16.29	0.89	2.56	-0.16
	Germany	-1.90	0.84	-	0.80	0.49	-15.91	0.97	2.60	-0.32
	Italy	-1.87	0.82	0.83	-	0.50	-16.80	0.92	2.83	-0.23
	Sweden	-2.18	0.73	0.76	0.69	-	-16.43	0.83	1.85	-0.23
	US	-17.01	-13.88	-14.76	-14.93	-12.41	-	-13.58	-13.54	-13.90
	EU23	-2.22	0.37	0.35	0.29	0.08	-16.95	0.47	1.76	-0.30
	Rest of the world	-5.14	-1.21	-1.20	-1.65	-0.83	4.07	-1.44	0.21	-0.22
	World	-5.72	-0.56	-0.58	-0.60	-0.42	-9.78	-0.57	-0.06	-2.04

Source: The National Board of Trade's calculations in METRO

Sweden

Sweden's overall imports and exports are projected to decrease by 0.42 per cent and 0.23 per cent, respectively. Imports are expected to decrease across all sectors, with the most significant reductions in value terms occurring in the Computer & electronics, and Other manufacturing sectors. While these sectors do not experience the steepest percentage drops, their substantial share, accounting for 46 per cent of Sweden's total goods import, makes them the largest contributors to the overall decline in import volume.

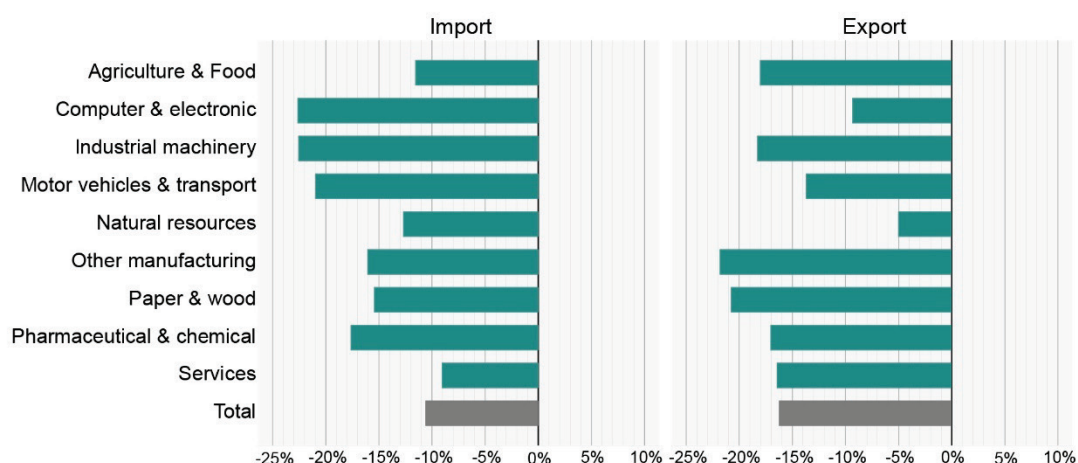
Figure 1. Sweden's imports and exports, by sector, percentage change over the reference scenario

Source: The National Board of Trade's calculations in METRO.

Note: The scales in the charts are adjusted to the respective minimum and maximum values and may therefore differ between countries/regions.

On the export side, the right panel in Figure 1 shows that exports will increase in six out of nine sectors, with the largest percentage increase in Natural resources, although this sector accounts for only 2 per cent of Sweden's total exports. The decrease in Swedish manufacturing exports is primarily driven by major sectors such as Motor vehicles and transport equipment, Industrial machinery, and Pharmaceuticals and chemical products.

Figure 2. Sweden's import and export to the US, by sector, percentage change over the reference scenario



Source: The National Board of Trade's calculations in METRO.

Note: The scales in the charts are adjusted to the respective minimum and maximum values and may therefore differ between countries/regions.

Unsurprisingly, the largest decline is seen with the US, where exports are projected to fall by approximately 16 per cent overall, with decreases across all sectors (Figure 2). This drop is primarily driven by a sharp reduction in Sweden's exports of Motor vehicles and transport equipment, which make up nearly one-third of its total exports to the US. Additionally, the Pharmaceutical and chemical sector, Sweden's second-largest export category to the US, also contributes significantly to the overall decline.

Sweden's exports to China are also set to decline by around 2.2 per cent, likely due to weaker economic activity and reduced import demand in China. These export declines are partially offset by increasing exports to other EU countries, which account for more than half of Sweden's total exports (Table 3 and Table C14 in Appendix C).

The European Union

The effects on the EU as a whole result in a minor decrease in exports of 0.3 per cent, while imports decline by 0.6 per cent (Table C13. Bilateral trade, including the EU, by region/country, percentage change over the reference scenario – Scenario 1). No sector stands out significantly (Figure 3). However, while extra-EU trade decreases, intra-EU trade rises by 0.6 per cent (Table 3).

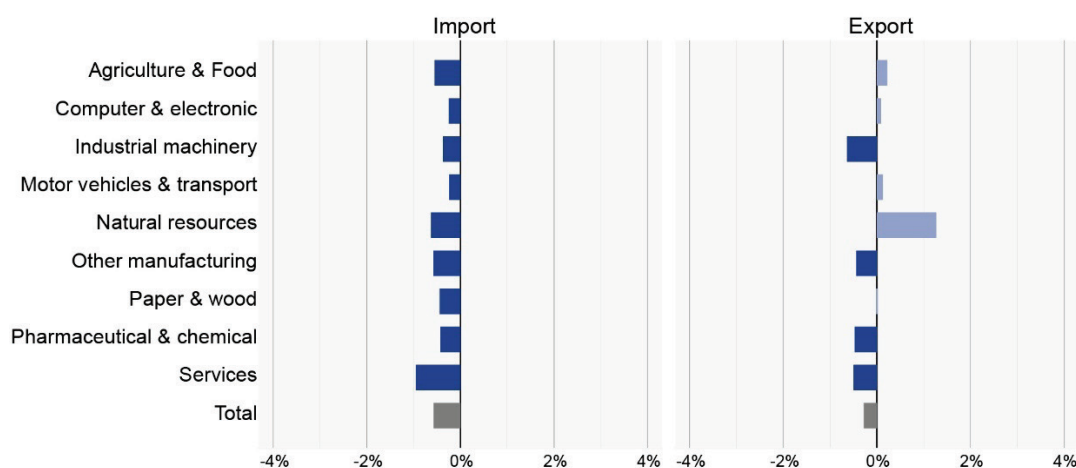
At the bilateral level, trade is more significantly affected. EU countries' exports to the US are expected to decrease by 17 per cent. This drop is largely driven by reduced import

demand for Pharmaceutical and chemical products, Other manufacturing, and Motor vehicles and transport equipment, which decline by 17, 20, and 14 per cent, respectively (for sectorial distribution of these effects, see Figure C1 in Appendix C).¹⁸ Exports to China are also estimated to decrease significantly, by between two and three per cent. The most significant drop occurs in the Industrial machinery sector, which falls by 4.2 per cent.

On the import side, the EU reduces its imports from the US by 14 per cent, while increasing imports from China by 6.7 per cent.

The rise in imports from China can be attributed to the imposition of tariffs on Chinese exports to the US. As a result, China is incentivised to redirect its goods to alternative markets, including the EU, to mitigate the impact of reduced access to the US market. This shift in trade flows likely leads to increased supply in these alternative markets, exerting downward pressure on prices for Chinese products.

Figure 3. EU's imports and exports, by sector, percentage change over the reference scenario



Source: The National Board of Trade's calculations in METRO.

Note: The scales in the charts are adjusted to the respective minimum and maximum values and may therefore differ between countries/regions.

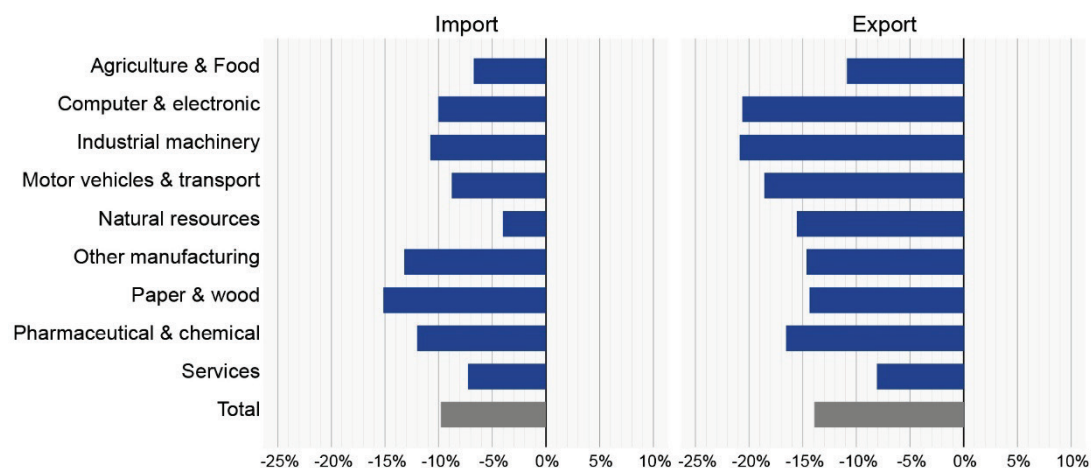
The analysis has also been conducted for France, Germany and Italy separately. Table 3 shows that their exports to the US and China decrease by roughly 16 and 2 per cent, respectively. However, like Sweden, these countries intra-EU exports offset the declines with US and China. For more granular results for these countries, see Table C17, Table C18 and Table C19 Appendix C.

¹⁸ The Natural resources sector experiences the largest percentage decline in exports from the EU to the US. However, it represents only a small fraction of the total exports to the US.

The United States

On an aggregate level, US exports decrease by 14 per cent and imports by 10 per cent. On a bilateral basis, the picture is somewhat more diverse especially on the import side where US imports from China are estimated to drop by 66 per cent while imports decrease by significantly less, by 16-17 per cent, from the EU member states. US exports to China decrease by 17 per cent (Table 3).

Figure 4. The United States imports and exports, by sector, percentage change over the reference scenario



Source: The National Board of Trade's calculations in METRO.

Note: The scales in the charts are adjusted to the respective minimum and maximum values and may therefore differ between countries/regions.

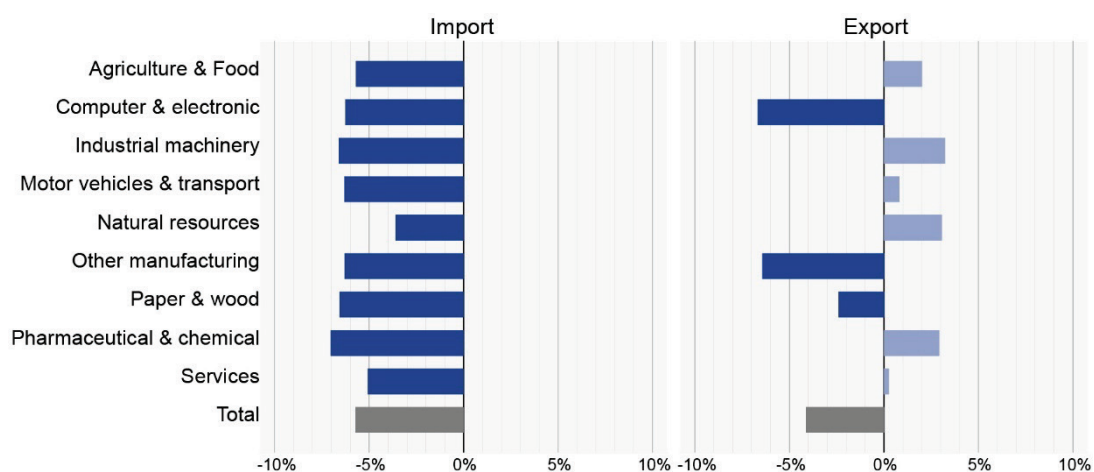
As a consequence of the broad scope of the suggested tariffs, imports to the US will decrease in all sectors. The sectors with the steepest drop in imports are Paper and wood, Other manufacturing and the Pharmaceutical and chemical industries (Figure C1 and Table C20 in Appendix C).

The right panel in Figure 4 shows that the decrease in exports is deeper and more evenly distributed than the import decrease. It is noticeable that the sectors that will be hardest hit by the tariff increase are among those industrial sectors that Trump claims he wants to protect. Industrial machinery, Computer and electronics and Motor vehicles all decrease their exports by close to 20 per cent. The impact on these sectors is greater due to their deep integration into global value chains. The tariffs will reduce the share of high-quality and competitive inputs in production, which will raise costs and result in lower productivity and less exports. The Services sector will see its exports decrease by less than 10 per cent.

China

As mentioned earlier, both Chinese exports and imports are estimated to decrease significantly as a result of Trump's proposed tariffs (Figure 5). While exports are expected to decline by 4.1 per cent, imports are anticipated to decrease even more sharply. There is a notable difference in the bilateral trade patterns between imports and exports. Chinese imports from all the analysed countries and regions are expected to decrease, with a particularly steep decline of 17 per cent in imports from the US.

Figure 5. China's imports and exports, by sector, percentage change over the reference scenario



Source: The National Board of Trade's calculations in METRO.

Note: The scales in the charts are adjusted to the respective minimum and maximum values and may therefore differ between countries/regions.

The decrease in China's exports is on the other hand wholly due to a 66 per cent drop of exports to the US. Exports are estimated to grow between 6 and 10 per cent to all other countries and regions, as exports are redirected to other markets. All sectors in China are expected to import less with the suggested tariffs. Except for Natural resources, imports will drop by between five and seven per cent. The imports by the Natural Resources sector are estimated to decrease by 3.6 per cent.

The effect on Chinese exports is more diverse and for six of the nine sectors, aggregate exports will actually increase. Only Computer and electronics, Other manufacturing and Paper and wood are estimated to see their exports decline. The sectors for which exports will increase the most are Industrial machinery, Natural resources and Pharmaceutical and chemistry (Figure 5 and Table C21 in Appendix C).

5 Conclusions and policy implications

If Trump were to be elected and fulfil his pledge of a 60 per cent flat tariff on all imported goods from China, along with an additional 20 percentage points on imports from the rest of the world, it would have considerable repercussions for global trade. Our analysis indicates negative growth effects for all countries and regions, accompanied by a substantial decrease in international trade.

While the overall impact on Sweden's trade might be moderate, certain sectors and specific trading relationships would experience more severe consequences. For instance, Sweden's exports to the US would decrease by approximately 16 per cent, with major sectors such as Motor vehicles and transport equipment, and Pharmaceuticals and chemical products being heavily affected. Similarly, the tariffs would impact the EU as a whole with declining economic exchange with the US. The effects for the other analysed EU member states are similar as the trade with the US declines while the intra-EU trade off-sets the overall effect.

The analysis clearly shows the problems with using tariffs to protect domestic industries. The country that would suffer the most is the United States, where imports and exports would be expected to drop by 10 and 14 per cent, respectively. A striking result is that the tariffs would particularly hurt the industries they are intended to protect, largely because these sectors are deeply integrated into global value chains. Tariffs would reduce the share of competitive foreign inputs in production, driving up costs, lowering productivity, and reducing exports.

The primary target of US trade measures, China, would be expected to see a decline in trade, greater than that of Sweden and the EU, but still significantly smaller than for the US. However, China's exports to the US would be projected to decrease sharply, by 66 per cent. As a result, China will need to find new markets for these products, potentially leading to lower world market prices. This means that the US tariffs in one respect play in the hands of China and its ambitions to expand its influence abroad, for instance in many developing countries. However, while China's exports to other countries in the analysis are expected to increase, this rise does not fully compensate for the loss, leading to an overall decline in exports of 4.1 per cent.

While the overall trade effects for some of the analysed regions appear relatively small, it is necessary to remember that these results stem from a general equilibrium model simulation. This type of modelling assumes full employment of resources (labour and capital) and reflects the medium-term outcomes after the global economy has reached a new equilibrium state, assuming all adjustments have fully played out. However, it is important to recognise that the transition process to this new equilibrium may be characterised by significant volatility and disruption. Even economies that are projected to experience modest medium-term effects may face considerable short-term turbulence, as various sectors adjust to shifts in trade patterns, resource allocations, and competitive dynamics. Frictions such as adjustment costs, policy responses, and market rigidities could amplify the challenges during the transition phase, leading to economic instability, even in regions where the ultimate equilibrium impact appears limited.

Events in the global economy can influence developments in both positive and negative directions, and the analysis should be seen as an indication of the potential impact the US tariffs could have on the economy in general and for trade patterns in particular.

Beyond the effects outlined in this analysis, there are other policy implications. For example, there is a risk that reduced trade could slow down the green transition as inefficient resource allocation could hinder the exchange of green technologies and drive up their prices in many regions, especially between the US and China. Another important aspect is that the tariffs could result in a cost shock for both businesses and consumers, potentially leading to lower productivity and higher inflation in the US. Due to the cost shock companies should prepare for the switching costs to new markets as goods need to be redirected.

The US has during the Trump as well as the Biden era shown a low interest in the multilateral trading system. The imposition of broad US tariffs on China and other countries would represent another significant blow to the integrity of the global trading system. It signals a continued disregard for internationally agreed trade rules, threatening the stability and fairness that underpins global commerce. By undermining the principles of open and rules-based trade, these tariffs risk escalating trade tensions and destabilising economic relationships around the world.

This analysis has not considered potential retaliatory measures against the US. A logical next step would be to assess the impact of these actions once there is a clearer understanding of their nature and scope. Based on previous retaliations against US trade policies, these measures are expected to be more targeted and complex than the US's initial actions. Likely responses could include counter-tariffs or other trade restrictions imposed by affected countries, which would further compound the negative effects on global trade. Retaliatory actions may lead to escalating trade tensions, disrupting supply chains and causing additional economic and political instability. Therefore, the overall consequences could be more severe than indicated in this analysis.

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Appendix A – Reference scenario and methodological considerations

The reference scenario used for comparison is derived from the METRO model's standard baseline, updated to reflect some major trade related events since the model's base year 2017. Two changes have been included in the baseline. First, the additional tariffs imposed by the US and China on each other between 2018 and 2020, which are still in effect today. The trade-weighted tariffs for both parties were calculated by combining CN (8-digit) level import data from Trade Data Monitor with tariff information from the United States International Trade Commission and the Ministry of Finance of the People's Republic of China¹⁹.

In addition, the reference scenario was also updated by including sanctions on trade in goods by Russia and Belarus. The sanctions were simulated by increasing import tariffs against goods from Russia and Belarus and export tariffs for goods to Russia and Belarus, by the sanctioning states to a nearly prohibitive level, to reflect Western sanctions against Russia and Belarus. No other changes in the global economy have been included in the reference scenario.

The simulations are based on METRO's standard closure for the model. This means, inter alia, that the current account balance is fixed and that there is full employment. It is therefore not suitable to draw any conclusions regarding trade balances, which had been an interesting aspect due to Trump's focus on the issue. The assumption of full employment means that the results of the simulation are calculated as the equilibrium that emerges in the medium term, approximately 5–7 years. During this period, any employment effects are expected to have dissipated, but technological development, capital accumulation, and economies of scale have not yet had medium-term effects.

The report presents results for the countries/regions Sweden, the US, China, Germany, France, Italy, EU23, and the Rest of the world. In order to be able to prepare the reference scenario, the simulations were done also for the regions Russia/Belarus, the rest of Europe, Rest of the world with sanctions against Russia/Belarus, and finally Rest of the world. In the report, these regions were combined into Rest of the world.

The analysis covers ten sectors, listed in Table B2 in Appendix B. The sectors have largely been chosen based on which are the most export-intensive sectors for Sweden to the US. For this reason, the analysis might have missed some important sectoral results for other countries or regions.

¹⁹ Trade Data Monitor (2024), *Trade dataset*; U.S. International Trade Commission (2024), *China Tariffs* <https://hts.usitc.gov/reststop/file?release=currentRelease&filename=China%20Tariffs>; Ministry of Finance of the People's Republic of China (2024), 'Policy Announcements', Ministry of Finance <https://gss.mof.gov.cn/gzdt/zhengcefabu/>

Appendix B – Regions, sectors and production factors

Table B1. Countries/regions

Countries/regions (8)
Sweden
United States of America
China
Germany
France
Italy
European Union (23)
Rest of the world

Source: Authors' compilation.

Table B2. Sectors

Sectors (10)
Agriculture and Food
Natural resources
Other manufacturing
Computer and electronics sector
Industrial machinery sector
Paper and wood sector
Pharmaceutical and chemical sector
Motor vehicles and transport sector
Transport services
Services

Source: Authors' compilation.

Table B3. Production factors

Factors (8)
Land
Technical and assistant professionals
Clerks
Services and shop assistants
Computer and electronics sector
Office managers and professionals
Agricultural and other low skilled workers
Capital
Natural resources

Source: Authors' compilation.

Appendix C – Detailed tables

This appendix presents detailed tables over dollar values for bilateral trade by sector and in total. The appendix also present tables with detailed results from both the main scenario (scenario 1), which is analysed above in the report, and the alternative scenario (scenario 2). In the Scenario 2, the US raises tariffs for imports from all countries by adding 10 percentage points on top of existing tariff levels, except for imports from China which instead faces a flat tariff of 60 per cent.

Table C1. Macroeconomic effects, by region/country, percentage change over the reference scenario – Scenario 2

Macro-economic variables	China	France	Germany	Italy	Sweden	US	EU23	Rest of the world	World
Real GDP	-0.18	-0.01	-0.01	-0.01	-0.01	-0.03	-0.02	0.01	-0.03
Import demand	-6.18	-0.24	-0.27	-0.20	-0.20	-7.92	-0.28	0.25	-1.60
Export demand	-3.25	-0.07	-0.09	-0.05	-0.10	-9.25	-0.13	0.06	-1.29
Domestic production	-0.34	-0.03	-0.03	-0.02	-0.04	-0.37	-0.07	0.03	-0.14

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 2 – 10 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Table C2. Macroeconomic effects for the EU, percentage change over the reference scenario – Scenario 1

Macroeconomic variables	EU
Real GDP	-0.03
Import demand	-0.62
Export demand	-0.26
Domestic production	-0.10

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 1 – 20 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Table C3. Bilateral trade in reference period including the EU, in billion dollars

		IMPORTER				
		China	EU	US	Rest of the world	World
EXPORTER	China	-	502	501	2377	3380
	EU	232	4034	526	1986	6778
	US	148	369	-	1501	2019
	Rest of the world	1082	1268	1587	3711	7648
	World	1462	6172	2615	9574	19824

Source: UN COMTRADE. The National Board of Trade's calculations.

Table C4. Bilateral trade in sector Agriculture and Food in reference period, in billion dollars

		IMPORTER								
		China	France	Germany	Italy	Sweden	US	EU23	Rest of the world	World
EXPORTER	China	-	1	2	1	0.2	9	7	75	95
	France	4	-	10	8	1	6	33	27	87
	Germany	2	9	-	8	2	3	58	24	105
	Italy	1	8	11	-	1	7	21	21	69
	Sweden	0.1	1	1	1	-	0.3	7	3	14
	US	31	1	3	2	0.1	-	7	138	181
	EU23	9	43	83	29	9	13	162	124	472
	Rest of the world	123	13	15	12	2	137	82	408	792
	World	170	75	125	60	16	175	377	819	1815

Source: UN COMTRADE. The National Board of Trade's calculations.

Table C5. Bilateral trade in sector Computer and electronic in reference period, in billion dollars

		IMPORTER								
		China	France	Germany	Italy	Sweden	US	EU23	Rest of the world	World
EXPORTER	China	-	13	46	14	3	198	130	769	1173
	France	2	-	12	4	1	4	23	22	68
	Germany	28	17	-	14	5	27	105	78	275
	Italy	1	5	7	-	1	5	19	21	59
	Sweden	1	1	2	1	-	2	9	10	24
	US	21	5	13	3	2	-	28	243	314
	EU23	15	33	126	23	14	28	156	111	506
	Rest of the world	341	16	48	9	4	292	92	577	1379
	World	409	90	255	66	30	557	562	1830	3799

Source: UN COMTRADE. The National Board of Trade's calculations.

Table C6. Bilateral trade in sector Natural resources in reference period, in billion dollars

		IMPORTER								
		China	France	Germany	Italy	Sweden	US	EU23	Rest of the world	World
EXPORTER	China	-	0.0	0.0	0.0	0.0	0.3	1	11	12
	France	0.0	-	1	8	0.0	0.0	1	2	12
	Germany	0.0	0.2	-	0.1	0.1	0.0	2	4	6
	Italy	0.2	0.1	0.4	-	0.0	0.0	2	1	3
	Sweden	0.1	0.0	1	0.0	-	0.1	1	2	4
	US	17	9	6	6	2	-	45	101	186
	EU23	2	4	21	2	1	0.4	25	11	65
	Rest of the world	222	19	38	38	10	129	125	584	1164
	World	242	32	67	53	12	130	200	715	1451

Source: UN COMTRADE. The National Board of Trade's calculations.

Table C7. Bilateral trade in sector Industrial machinery in reference period, in billion dollars

		IMPORTER							EU23		Rest of the world	World
		China	France	Germany	Italy	Sweden	US					
EXPORTER	China	-	4	10	5	1	37	25	251	333		
	France	2	-	7	4	1	4	16	17	51		
	Germany	20	17	-	11	4	30	72	78	233		
	Italy	4	9	11	-	1	13	26	43	107		
	Sweden	1	1	2	1	-	2	7	9	24		
	US	12	3	6	2	1	-	13	139	176		
	EU23	14	20	53	14	6	22	75	86	291		
	Rest of the world	63	8	21	7	2	137	38	181	456		
	World	116	62	110	44	16	247	272	804	1671		

Source: UN COMTRADE. The National Board of Trade's calculations.

Table C8. Bilateral trade in sector Motor vehicles and transport in reference period, in billion dollars

		IMPORTER							EU23		Rest of the world	World
		China	France	Germany	Italy	Sweden	US					
EXPORTER	China	-	4	8	3	1	23	25	184	247		
	France	6	-	18	8	1	10	31	45	119		
	Germany	31	24	-	16	7	45	108	118	348		
	Italy	1	7	11	-	1	12	16	20	68		
	Sweden	1	2	2	1	-	5	12	6	30		
	US	8	1	11	1	1	-	11	149	182		
	EU23	7	40	102	21	10	25	122	112	439		
	Rest of the world	30	23	34	11	3	290	59	271	722		
	World	84	101	186	61	23	411	384	904	2155		

Source: UN COMTRADE. The National Board of Trade's calculations.

Table C9. Bilateral trade in sector Other manufacturing in reference period, in billion dollars

		IMPORTER								
		China	France	Germany	Italy	Sweden	US	EU23	Rest of the world	World
EXPORTER	China	-	16	27	17	3	188	86	831	1168
	France	7	-	20	14	1	11	49	48	150
	Germany	11	32	-	20	7	24	165	100	360
	Italy	7	29	28	-	2	22	69	82	240
	Sweden	1	1	5	1	-	3	18	16	47
	US	20	8	11	6	1	-	36	394	476
	EU23	9	80	182	51	23	46	304	246	943
	Rest of the world	204	32	54	38	8	357	181	1184	2058
	World	259	199	327	147	46	652	909	2900	5440

Source: UN COMTRADE. The National Board of Trade's calculations.

Table C10. Bilateral trade in sector Pharmaceutical and chemical in reference period, in billion dollars

		IMPORTER								
		China	France	Germany	Italy	Sweden	US	EU23	Rest of the world	World
EXPORTER	China	-	2	5	3	1	18	18	179	225
	France	6	-	15	8	1	10	41	38	119
	Germany	11	17	-	16	4	38	91	80	258
	Italy	6	6	9	-	1	11	31	28	93
	Sweden	2	1	4	1	-	3	8	8	27
	US	27	5	13	7	2	-	51	179	285
	EU23	12	34	83	30	6	78	179	174	596
	Rest of the world	73	14	33	18	2	130	101	274	645
	World	136	80	162	83	17	289	520	961	2248

Source: UN COMTRADE. The National Board of Trade's calculations.

Table C11. Bilateral trade in sector Paper and wood in reference period, in billion dollars

		IMPORTER								
		China	France	Germany	Italy	Sweden	US	EU23	Rest of the world	World
EXPORTER	China	-	1	1	1	0.1	9	4	39	54
	France	0.2	-	2	1	0.1	1	5	3	12
	Germany	1	4	-	2	1	2	18	10	38
	Italy	0.2	2	2	-	0.1	1	4	4	13
	Sweden	1	1	2	1	-	1	5	6	17
	US	3	0.3	1	0.5	0.1	-	2	30	37
	EU23	3	10	19	7	3	3	36	24	105
	Rest of the world	13	2	2	2	1	36	9	42	106
	World	21	20	29	14	4	52	83	158	383

Source: UN COMTRADE. The National Board of Trade's calculations.

Table C12. Bilateral trade, by region/country, percentage change over the reference scenario – Scenario 2

		IMPORTER								
		China	France	Germany	Italy	Sweden	US	EU23	Rest of the world	World
EXPORTER	China	-	8.76	8.89	8.64	8.32	-70.04	8.80	9.85	-4.25
	France	-4.05	-	0.25	0.23	0.13	-4.83	0.33	1.08	-0.07
	Germany	-3.99	0.41	-	0.29	0.13	-4.03	0.37	1.17	-0.10
	Italy	-4.09	0.28	0.23	-	0.05	-4.27	0.28	1.10	-0.05
	Sweden	-4.26	0.39	0.29	0.29	-	-4.61	0.30	0.78	-0.10
	US	-13.32	-8.93	-9.62	-9.74	-8.01	-	-8.80	-8.84	-9.25
	EU23	-4.15	0.17	0.04	0.04	-0.07	-4.87	0.14	0.69	-0.14
	Rest of the world	-5.71	-0.78	-0.88	-0.98	-0.64	6.40	-0.90	-0.19	0.01
	World	-6.13	-0.22	-0.24	-0.19	-0.19	-6.61	-0.25	0.25	-1.42

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 2 – 10 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

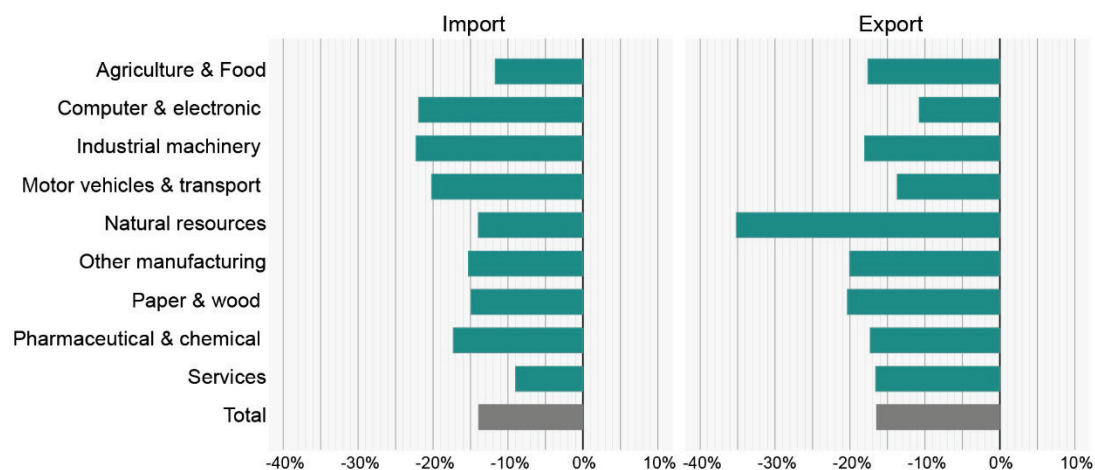
Table C13. Bilateral trade, including the EU, by region/country, percentage change over the reference scenario – Scenario 1

		IMPORTER				
		China	EU	US	Rest of the world	World
EXPORTER	China	-	6.66	-66.46	9.54	-4.13
	EU	-2.01	0.61	-16.50	2.18	-0.28
	US	-17.01	-13.94	-	-13.54	-13.90
	Rest of the world	-5.14	-1.36	4.07	0.21	-0.22
	World	-5.72	-0.57	-9.78	-0.06	-2.04

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 1 – 20 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Figure C1. EU imports and exports to the US, by sector, percentage change over the reference scenario – Scenario 1



Source: The National Board of Trade's calculations in METRO.

Note: Scenario 1 – 20 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods. The scales in the charts are adjusted to the respective minimum and maximum values and may therefore differ between countries/regions. The Natural Resources sector experiences the largest percentage decline in exports. However, it represents only a small fraction of total exports with the US.

Table C14. Percentage change in Sweden's bilateral trade, by sector, by country/region over the reference scenario – Scenario 1

	Agriculture & Food	Natural resources	Other manufacturing	Computer & electronic	Industrial machinery	Paper & wood	Pharmaceutical & chemical	Motor vehicles & transport	Transport services	Services
Import to Sweden										
China	3.74	-0.98	5.59	7.55	7.96	6.09	7.39	5.73	4.21	3.59
France	0.43	-0.90	0.11	0.49	0.73	0.03	1.57	0.06	0.71	0.55
Germany	0.29	0.07	0.30	0.50	0.44	0.07	1.18	0.27	0.62	0.81
Italy	0.54	-0.74	0.20	0.60	0.56	0.00	1.14	0.39	0.52	0.63
Sweden	-	-	-	-	-	-	-	-	-	-
US	-11.57	-12.72	-16.09	-22.65	-22.58	-15.46	-17.66	-20.99	-10.62	-9.08
EU23	0.13	0.51	-0.45	-0.17	0.21	-0.22	0.27	0.18	0.21	0.40
Rest of the World	-1.36	-0.82	-2.20	-2.28	-0.12	-0.40	0.69	-1.05	-0.55	-0.17
World	-0.23	-0.83	-0.28	-0.17	-0.20	-0.35	-0.17	-0.28	-0.48	-0.75
Export from Sweden										
China	-3.35	-3.51	-2.97	0.40	-4.23	-2.60	-2.27	-1.69	-1.34	-1.88
France	0.49	-0.61	0.58	1.46	0.50	0.27	1.32	0.75	0.91	0.44
Germany	0.62	2.33	0.44	0.87	0.90	0.26	1.33	0.96	1.01	0.53
Italy	0.77	-0.51	0.67	0.27	0.33	0.82	1.51	1.05	0.58	0.29
Sweden	-	-	-	-	-	-	-	-	-	-
US	-18.05	-5.04	-21.84	-9.36	-18.31	-20.79	-17.07	-13.73	-16.26	-16.47
EU23	0.75	2.38	0.58	1.03	0.69	0.33	1.96	1.05	0.84	0.57
Rest of the World	1.16	3.58	1.90	2.02	3.03	2.20	3.11	2.85	-0.15	1.43
World	-0.06	2.49	-0.52	0.60	-1.02	0.23	-0.08	-0.39	-0.60	-0.33

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 1 – 20 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Table C15. Percentage change in the EU's bilateral trade, by sector, by country/region over the reference scenario – Scenario 1

	Agriculture & Food	Natural resources	Other manufacturing	Computer & electronic	Industrial machinery	Paper & wood	Pharmaceutical & chemical	Motor vehicles & transport	Transport services	Services
Import to EU										
China	3.97	2.22	6.05	7.79	8.29	6.25	7.91	6.65	4.42	3.68
EU	0.51	2.45	0.40	0.44	0.70	0.17	1.11	0.82	0.70	0.54
US	-11.74	-14.00	-15.32	-21.96	-22.31	-14.98	-17.33	-20.24	-10.27	-9.04
Rest of the world	-2.60	-0.36	-2.94	-2.56	-0.82	-2.82	0.07	-1.51	-0.90	-0.76
World	-0.55	-0.63	-0.58	-0.24	-0.37	-0.44	-0.43	-0.24	-0.83	-0.95
Export from EU										
China	-1.98	-3.22	-2.39	-0.36	-4.17	-2.73	-2.46	-1.81	-1.33	-1.68
EU	0.51	2.45	0.40	0.44	0.70	0.17	1.11	0.82	0.70	0.54
US	-17.64	-35.20	-20.08	-10.81	-18.10	-20.37	-17.35	-13.74	-16.28	-16.60
Rest of the world	2.65	1.69	2.46	2.35	3.24	2.49	2.92	3.33	-0.18	1.95
World	0.22	1.27	-0.44	0.09	-0.64	0.00	-0.48	0.13	-0.57	-0.50

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 1 – 20 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Table C16. Percentage change in the EU23's bilateral trade, by sector, by country/region over the reference scenario – Scenario 1

	Agriculture & Food	Natural resources	Other manufacturing	Computer & electronic	Industrial machinery	Paper & wood	Pharmaceutical & chemical	Motor vehicles & transport	Transport services	Services
Import to EU23										
China	4.02	-0.76	6.06	7.94	8.36	6.19	8.21	6.55	4.24	3.74
France	0.73	2.59	0.68	0.80	1.07	0.30	1.98	0.82	0.99	0.64
Germany	0.66	1.97	0.90	0.86	0.79	0.34	1.78	1.02	0.98	0.90
Italy	0.78	1.63	0.78	0.90	0.94	0.23	1.65	1.20	0.80	0.68
Sweden	0.75	2.38	0.58	1.03	0.69	0.33	1.96	1.05	0.84	0.57
US	-11.74	-13.79	-15.16	-22.03	-22.31	-15.01	-17.17	-19.74	-10.29	-9.03
EU23	0.49	2.48	0.13	0.14	0.56	0.04	0.92	0.90	0.57	0.47
Rest of the world	-2.59	-0.48	-2.99	-2.98	-0.87	-2.92	-0.31	-1.73	-0.99	-0.79
World	-0.57	-0.72	-0.49	-0.19	-0.31	-0.42	-0.50	-0.09	-0.86	-1.03
Export from EU23										
China	-2.00	-3.16	-3.04	-1.05	-4.33	-2.82	-3.02	-1.72	-1.62	-1.78
France	0.23	4.59	0.17	0.47	0.39	-0.02	0.57	0.45	0.62	0.37
Germany	0.37	1.86	-0.01	0.19	0.67	-0.01	0.30	0.76	0.73	0.43
Italy	0.50	6.17	0.15	-0.75	0.16	0.49	0.48	0.79	0.30	0.24
Sweden	0.13	0.51	-0.45	-0.17	0.21	-0.22	0.27	0.18	0.21	0.40
US	-17.07	-57.54	-20.47	-11.40	-18.35	-20.70	-17.44	-13.34	-16.53	-16.75
EU23	0.49	2.48	0.13	0.14	0.56	0.04	0.92	0.90	0.57	0.47
Rest of the world	2.61	1.51	2.32	1.75	2.97	2.60	2.28	2.91	-0.27	1.89
World	0.39	1.04	-0.61	-0.27	-0.43	0.05	-0.98	0.59	-0.47	-0.37

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 1 – 20 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Table C17. Percentage change in France's bilateral trade, by sector, by country/region over the reference scenario – Scenario 1

	Agriculture & Food	Natural resources	Other manufacturing	Computer & electronic	Industrial machinery	Paper & wood	Pharmaceutical & chemical	Motor vehicles & transport	Transport services	Services
Import to France										
China	3.79	-0.50	6.24	8.04	8.21	6.27	7.76	6.96	4.64	3.56
France	-	-	-	-	-	-	-	-	-	-
Germany	0.39	4.00	0.91	1.18	0.61	0.23	1.42	0.64	1.08	0.78
Italy	0.61	3.90	0.84	1.31	0.77	0.09	1.24	0.77	0.86	0.61
Sweden	0.49	-0.61	0.58	1.46	0.50	0.27	1.32	0.75	0.91	0.44
US	-11.61	-14.33	-15.17	-22.02	-22.39	-15.12	-17.42	-21.57	-10.19	-9.03
EU23	0.23	4.59	0.17	0.47	0.39	-0.02	0.57	0.45	0.62	0.37
Rest of the world	-2.06	-0.33	-2.77	-2.16	0.06	-3.00	0.26	-1.56	-0.53	-0.72
World	-0.53	-0.55	-0.65	-0.38	-0.38	-0.34	-0.33	-0.22	-0.63	-0.89
Export from France										
China	-1.90	-3.54	-1.95	-0.27	-3.76	-2.56	-2.17	-2.28	-0.95	-1.50
France	-	-	-	-	-	-	-	-	-	-
Germany	0.61	2.74	0.55	0.78	1.24	0.22	1.37	0.76	1.16	0.59
Italy	0.67	7.16	0.62	-0.14	0.66	0.77	1.57	0.77	0.78	0.44
Sweden	0.43	-0.90	0.11	0.49	0.73	0.03	1.57	0.06	0.71	0.55
US	-17.97	-5.04	-19.17	-11.24	-17.53	-19.91	-17.56	-14.12	-16.10	-16.61
EU23	0.73	2.59	0.68	0.80	1.07	0.30	1.98	0.82	0.99	0.64
Rest of the world	2.92	1.94	2.14	3.10	3.66	2.50	4.03	4.01	-0.05	2.05
World	-0.24	2.20	-0.53	0.38	-0.12	-0.48	0.71	0.01	-0.99	-0.43

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 1 – 20 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Table C18. Percentage change in Germany's bilateral trade, by sector, by country/region over the reference scenario – Scenario 1

	Agriculture & Food	Natural resources	Other manufacturing	Computer & electronic	Industrial machinery	Paper & wood	Pharmaceutical & chemical	Motor vehicles & transport	Transport services	Services
Import to Germany										
China	3.89	-0.43	5.99	7.76	8.47	6.31	7.44	6.67	4.57	3.68
France	0.61	2.74	0.55	0.78	1.24	0.22	1.37	0.76	1.16	0.59
Germany	-	-	-	-	-	-	-	-	-	-
Italy	0.68	1.50	0.66	1.00	1.04	0.17	1.12	1.03	0.97	0.79
Sweden	0.62	2.33	0.44	0.87	0.90	0.26	1.33	0.96	1.01	0.53
US	-11.75	-14.40	-15.70	-21.85	-22.17	-15.14	-17.68	-20.39	-10.18	-9.03
EU23	0.37	1.86	-0.01	0.19	0.67	-0.01	0.30	0.76	0.73	0.43
Rest of the world	-2.64	0.07	-2.72	-2.19	-0.99	-2.19	0.71	-0.90	-0.94	-0.76
World	-0.47	-0.36	-0.64	-0.33	-0.53	-0.41	-0.38	-0.49	-0.96	-0.88
Export from Germany										
China	-2.02	-3.53	-2.52	0.06	-4.19	-2.64	-2.18	-1.73	-0.99	-1.64
France	0.39	4.00	0.91	1.18	0.61	0.23	1.42	0.64	1.08	0.78
Germany	-	-	-	-	-	-	-	-	-	-
Italy	0.66	5.46	0.97	-0.09	0.39	0.75	1.40	0.98	0.77	0.66
Sweden	0.29	0.07	0.30	0.50	0.44	0.07	1.18	0.27	0.62	0.81
US	-18.48	-5.76	-21.11	-10.25	-18.11	-20.23	-17.07	-13.80	-16.09	-16.19
EU23	0.66	1.97	0.90	0.86	0.79	0.34	1.78	1.02	0.98	0.90
Rest of the world	3.00	1.50	2.71	2.69	3.14	2.14	3.20	3.33	-0.04	2.12
World	0.61	1.97	-0.17	0.32	-1.10	-0.13	-0.26	-0.13	-0.75	-1.00

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 1 – 20 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Table C19. Percentage change in Italy's bilateral trade, by sector, by country/region over the reference scenario – Scenario 1

	Agriculture & Food	Natural resources	Other manufacturing	Computer & electronic	Industrial machinery	Paper & wood	Pharmaceutical & chemical	Motor vehicles & transport	Transport services	Services
Import to Italy										
China	4.18	13.14	6.08	6.81	7.88	6.42	7.66	6.91	4.78	3.56
France	0.67	7.16	0.62	-0.14	0.66	0.77	1.57	0.77	0.78	0.44
Germany	0.66	5.46	0.97	-0.09	0.39	0.75	1.40	0.98	0.77	0.66
Italy	-	-	-	-	-	-	-	-	-	-
Sweden	0.77	-0.51	0.67	0.27	0.33	0.82	1.51	1.05	0.58	0.29
US	-11.95	-14.00	-15.61	-21.44	-22.61	-14.61	-17.60	-20.54	-10.55	-9.27
EU23	0.50	6.17	0.15	-0.75	0.16	0.49	0.48	0.79	0.30	0.24
Rest of the world	-3.47	-0.40	-3.50	-2.45	-1.34	-4.15	0.15	-2.28	-1.02	-0.90
World	-0.73	-0.64	-0.85	-0.17	-0.35	-0.79	-0.33	-0.28	-0.85	-0.74
Export from Italy										
China	-1.91	-3.52	-1.09	0.41	-4.04	-2.68	-2.48	-1.49	-1.26	-1.41
France	0.61	3.90	0.84	1.31	0.77	0.09	1.24	0.77	0.86	0.61
Germany	0.68	1.50	0.66	1.00	1.04	0.17	1.12	1.03	0.97	0.79
Italy	-	-	-	-	-	-	-	-	-	-
Sweden	0.54	-0.74	0.20	0.60	0.56	0.00	1.14	0.39	0.52	0.63
US	-18.02	-5.04	-18.37	-10.42	-17.92	-19.40	-17.68	-13.52	-16.35	-17.00
EU23	0.78	1.63	0.78	0.90	0.94	0.23	1.65	1.20	0.80	0.68
Rest of the world	2.24	0.44	2.77	3.09	3.66	3.21	3.15	3.85	0.50	2.17
World	-0.79	0.17	-0.22	0.90	-0.16	0.25	-0.19	-0.42	-0.16	-0.56

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 1 – 20 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Table C20. Percentage change in the US bilateral trade, by sector, by country/region over the reference scenario – Scenario 1

	Agriculture & Food	Natural resources	Other manufacturing	Computer & electronic	Industrial machinery	Paper & wood	Pharmaceutical & chemical	Motor vehicles & transport	Transport services	Services
Import to the US										
China	-52.04	-86.46	-66.74	-70.19	-64.56	-59.87	-63.32	-53.96	-49.35	-50.17
France	-17.97	-5.04	-19.17	-11.24	-17.53	-19.91	-17.56	-14.12	-16.10	-16.61
Germany	-18.48	-5.76	-21.11	-10.25	-18.11	-20.23	-17.07	-13.80	-16.09	-16.19
Italy	-18.02	-5.04	-18.37	-10.42	-17.92	-19.40	-17.68	-13.52	-16.35	-17.00
Sweden	-18.05	-5.04	-21.84	-9.36	-18.31	-20.79	-17.07	-13.73	-16.26	-16.47
US	-	-	-	-	-	-	-	-	-	-
EU23	-17.07	-57.54	-20.47	-11.40	-18.35	-20.70	-17.44	-13.34	-16.53	-16.75
Rest of the world	-2.40	-3.78	12.02	26.73	1.55	-2.92	-1.84	-5.38	-7.39	-2.27
World	-6.71	-4.00	-13.19	-10.02	-10.77	-15.14	-12.01	-8.78	-9.44	-7.26
Export from the US										
China	-13.81	-14.54	-18.96	-22.91	-25.89	-17.41	-20.29	-22.33	-11.08	-10.71
France	-11.61	-14.33	-15.17	-22.02	-22.39	-15.12	-17.42	-21.57	-10.19	-9.03
Germany	-11.75	-14.40	-15.70	-21.85	-22.17	-15.14	-17.68	-20.39	-10.18	-9.03
Italy	-11.95	-14.00	-15.61	-21.44	-22.61	-14.61	-17.60	-20.54	-10.55	-9.27
Sweden	-11.57	-12.72	-16.09	-22.65	-22.58	-15.46	-17.66	-20.99	-10.62	-9.08
US	-	-	-	-	-	-	-	-	-	-
EU23	-11.74	-13.79	-15.16	-22.03	-22.31	-15.01	-17.17	-19.74	-10.29	-9.03
Rest of the world	-10.26	-15.98	-14.23	-20.13	-20.21	-13.76	-15.86	-17.82	-8.05	-7.45
World	-10.88	-15.55	-14.65	-20.62	-20.88	-14.37	-16.56	-18.57	-8.57	-8.08

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 1 – 20 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Table C21. Percentage change in China's bilateral trade, by sector, by country/region over the reference scenario – Scenario 1

	Agriculture & Food	Natural resources	Other manufacturing	Computer & electronic	Industrial machinery	Paper & wood	Pharmaceutical & chemical	Motor vehicles & transport	Transport services	Services
Import to China										
China	-	-	-	-	-	-	-	-	-	-
France	-1.90	-3.54	-1.95	-0.27	-3.76	-2.56	-2.17	-2.28	-0.95	-1.50
Germany	-2.02	-3.53	-2.52	0.06	-4.19	-2.64	-2.18	-1.73	-0.99	-1.64
Italy	-1.91	-3.52	-1.09	0.41	-4.04	-2.68	-2.48	-1.49	-1.26	-1.41
Sweden	-3.35	-3.51	-2.97	0.40	-4.23	-2.60	-2.27	-1.69	-1.34	-1.88
US	-13.81	-14.54	-18.96	-22.91	-25.89	-17.41	-20.29	-22.33	-11.08	-10.71
EU23	-2.00	-3.16	-3.04	-1.05	-4.33	-2.82	-3.02	-1.72	-1.62	-1.78
Rest of the world	-4.33	-3.49	-5.91	-6.04	-5.50	-5.57	-6.82	-2.61	-4.74	-4.29
World	-5.71	-3.61	-6.30	-6.25	-6.61	-6.57	-7.03	-6.31	-5.10	-5.08
Export from China										
China	-	-	-	-	-	-	-	-	-	-
France	3.79	-0.50	6.24	8.04	8.21	6.27	7.76	6.96	4.64	3.56
Germany	3.89	-0.43	5.99	7.76	8.47	6.31	7.44	6.67	4.57	3.68
Italy	4.18	13.14	6.08	6.81	7.88	6.42	7.66	6.91	4.78	3.56
Sweden	3.74	-0.98	5.59	7.55	7.96	6.09	7.39	5.73	4.21	3.59
US	-52.04	-86.46	-66.74	-70.19	-64.56	-59.87	-63.32	-53.96	-49.35	-50.17
EU23	4.02	-0.76	6.06	7.94	8.36	6.19	8.21	6.55	4.24	3.74
Rest of the world	7.64	9.27	8.43	11.24	11.50	9.82	10.73	10.27	3.76	6.92
World	2.02	3.06	-6.44	-6.68	3.23	-2.40	2.92	0.82	0.63	0.26

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 1 – 20 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Table C22. Percentage change in Sweden's bilateral trade, by sector, by country/region – Scenario 2

	Agriculture & Food	Natural resources	Other manufacturing	Computer & electronic	Industrial machinery	Paper & wood	Pharmaceutical & chemical	Motor vehicles & transport	Transport services	Services
Import to Sweden										
China	5.65	-0.49	7.60	10.60	11.06	8.74	9.61	8.12	5.70	5.11
France	0.18	-0.52	-0.27	-0.42	0.11	-0.06	0.78	0.06	0.39	0.28
Germany	0.16	-0.10	-0.18	-0.21	0.10	0.03	0.78	0.22	0.40	0.45
Italy	0.20	-0.44	-0.28	-0.54	0.02	-0.08	0.62	0.32	0.29	0.31
Sweden	-	-	-	-	-	-	-	-	-	-
US	-7.45	-8.45	-10.26	-14.62	-15.55	-9.78	-11.66	-14.32	-6.72	-5.72
EU23	0.05	0.15	-0.59	-0.67	0.00	-0.17	0.28	0.27	0.12	0.22
Rest of the world	-0.85	-0.40	-1.75	-1.80	-0.69	-0.36	0.27	-0.84	-0.07	-0.18
World	-0.13	-0.45	-0.03	0.01	-0.08	-0.10	-0.09	-0.09	-0.12	-0.46
Export from Sweden										
China	-4.55	-3.67	-4.96	-2.47	-6.19	-4.92	-4.58	-3.58	-3.07	-3.39
France	0.31	-0.31	0.21	0.07	0.40	0.13	0.76	0.46	0.56	0.30
Germany	0.28	1.05	0.07	-0.62	0.46	0.05	0.80	0.62	0.57	0.27
Italy	0.41	0.00	0.20	-0.87	0.06	0.42	0.87	0.60	0.36	0.20
Sweden	-	-	-	-	-	-	-	-	-	-
US	-8.26	-1.86	-6.17	10.66	-4.99	-7.64	-6.27	-5.08	-7.47	-7.89
EU23	0.39	1.10	0.07	-0.48	0.35	0.10	1.20	0.62	0.51	0.34
Rest of the world	0.66	1.75	0.78	-0.47	1.44	1.04	1.82	1.76	-0.51	0.89
World	0.00	1.15	-0.28	0.21	-0.34	-0.08	0.05	0.03	-0.64	-0.13

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 2 – 10 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Table C23. Percentage change in the EU's bilateral trade, by sector, by country/region – Scenario 2

	Agriculture & Food	Natural resources	Other manufacturing	Computer & electronic	Industrial machinery	Paper & wood	Pharmaceutical & chemical	Motor vehicles & transport	Transport services	Services
Import to EU										
China	5.74	2.27	7.82	10.35	11.24	8.75	9.96	8.74	5.70	5.20
EU	0.51	2.45	0.40	0.44	0.70	0.17	1.11	0.82	0.70	0.54
US	-7.55	-9.46	-9.56	-14.28	-15.41	-9.53	-11.44	-13.85	-6.50	-5.70
Rest of the world	-1.41	-0.08	-2.02	-2.16	-1.03	-1.55	-0.08	-1.03	-0.29	-0.45
World	-0.28	-0.30	-0.19	0.10	-0.11	-0.17	-0.19	-0.08	-0.29	-0.55
Export from EU										
China	-3.78	-3.61	-4.42	-2.89	-6.27	-4.96	-4.62	-3.72	-3.02	-3.29
EU	0.51	2.45	0.40	0.44	0.70	0.17	1.11	0.82	0.70	0.54
US	-7.99	-20.13	-3.69	9.46	-4.99	-7.11	-6.44	-5.05	-7.48	-7.98
Rest of the world	1.45	0.94	0.84	-0.34	1.36	1.14	1.64	2.00	-0.58	1.12
World	0.11	0.51	-0.17	0.02	-0.38	-0.09	-0.02	0.24	-0.67	-0.22

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 2 – 10 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Table C24. Percentage change in the EU23's bilateral trade, by sector, by country/region – Scenario 2

	Agriculture & Food	Natural resources	Other manufacturing	Computer & electronic	Industrial machinery	Paper & wood	Pharmaceutical & chemical	Motor vehicles & transport	Transport services	Services
Import to EU23										
China	5.76	-0.37	7.80	10.43	11.28	8.69	10.18	8.56	5.50	5.25
France	0.37	1.16	0.09	-0.64	0.30	0.06	1.07	0.44	0.55	0.34
Germany	0.38	0.99	0.23	-0.39	0.31	0.15	1.17	0.59	0.60	0.51
Italy	0.36	0.80	0.12	-0.74	0.26	0.03	0.97	0.66	0.48	0.35
Sweden	0.39	1.10	0.07	-0.48	0.35	0.10	1.20	0.62	0.51	0.34
US	-7.54	-9.27	-9.47	-14.39	-15.41	-9.56	-11.32	-13.53	-6.51	-5.70
EU23	0.27	1.29	-0.18	-0.86	0.21	-0.06	0.71	0.61	0.33	0.27
Rest of the world	-1.39	-0.16	-2.04	-2.45	-1.05	-1.59	-0.22	-1.14	-0.34	-0.45
World	-0.29	-0.36	-0.17	0.06	-0.10	-0.15	-0.21	0.01	-0.30	-0.60
Export from EU23										
China	-3.77	-3.60	-4.85	-3.63	-6.30	-5.00	-4.85	-3.49	-3.15	-3.37
France	0.17	2.50	-0.04	-0.32	0.25	-0.07	0.43	0.38	0.37	0.24
Germany	0.16	0.90	-0.23	-0.73	0.24	-0.13	0.30	0.58	0.38	0.20
Italy	0.28	3.26	-0.19	-1.28	-0.14	0.22	0.39	0.52	0.16	0.16
Sweden	0.05	0.15	-0.59	-0.67	0.00	-0.17	0.28	0.27	0.12	0.22
US	-7.63	-33.67	-4.01	8.97	-5.12	-7.45	-6.44	-4.75	-7.64	-8.06
EU23	0.27	1.29	-0.18	-0.86	0.21	-0.06	0.71	0.61	0.33	0.27
Rest of the world	1.43	0.87	0.76	-0.67	1.28	1.18	1.33	1.82	-0.65	1.08
World	0.20	0.39	-0.28	-0.33	-0.19	-0.13	-0.18	0.52	-0.65	-0.15

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 2 – 10 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Table C25. Percentage change in France's bilateral trade, by sector, by country/region – Scenario 2

	Agriculture & Food	Natural resources	Other manufacturing	Computer & electronic	Industrial machinery	Paper & wood	Pharmaceutical & chemical	Motor vehicles & transport	Transport services	Services
Import to France										
China	5.69	-0.20	7.98	10.72	11.35	8.82	9.82	9.25	5.94	5.14
France	-	-	-	-	-	-	-	-	-	-
Germany	0.28	2.14	0.35	0.15	0.35	0.13	0.89	0.39	0.65	0.47
Italy	0.31	2.11	0.22	-0.14	0.30	-0.04	0.69	0.42	0.53	0.33
Sweden	0.31	-0.31	0.21	0.07	0.40	0.13	0.76	0.46	0.56	0.30
US	-7.43	-9.73	-9.35	-14.18	-15.33	-9.59	-11.52	-14.86	-6.43	-5.66
EU23	0.17	2.50	-0.04	-0.32	0.25	-0.07	0.43	0.38	0.37	0.24
Rest of the world	-1.14	-0.04	-1.89	-1.67	-0.52	-1.67	-0.07	-1.07	-0.16	-0.41
World	-0.25	-0.22	-0.21	0.04	-0.10	-0.07	-0.17	-0.07	-0.23	-0.49
Export from France										
China	-3.75	-3.66	-4.02	-3.07	-6.16	-4.91	-4.64	-4.27	-2.84	-3.21
France	-	-	-	-	-	-	-	-	-	-
Germany	0.26	1.22	0.06	-0.53	0.39	0.00	0.67	0.43	0.62	0.27
Italy	0.41	3.55	0.03	-1.09	-0.05	0.36	0.79	0.38	0.42	0.23
Sweden	0.18	-0.52	-0.27	-0.42	0.11	-0.06	0.78	0.06	0.39	0.28
US	-8.25	-1.87	-2.11	8.66	-4.63	-6.78	-6.80	-5.30	-7.39	-8.01
EU23	0.37	1.16	0.09	-0.64	0.30	0.06	1.07	0.44	0.55	0.34
Rest of the world	1.58	0.95	0.60	-0.08	1.44	1.10	2.03	2.21	-0.49	1.14
World	-0.18	1.00	-0.05	0.28	-0.19	-0.24	0.29	0.09	-0.85	-0.22

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 2 – 10 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Table C26. Percentage change in Germany's bilateral trade, by sector, by country/region – Scenario 2

	Agriculture & Food	Natural resources	Other manufacturing	Computer & electronic	Industrial machinery	Paper & wood	Pharmaceutical & chemical	Motor vehicles & transport	Transport services	Services
Import to Germany										
China	5.64	-0.22	7.76	10.28	11.35	8.81	9.66	8.88	5.76	5.16
France	0.26	1.22	0.06	-0.53	0.39	0.00	0.67	0.43	0.62	0.27
Germany	-	-	-	-	-	-	-	-	-	-
Italy	0.26	0.70	0.08	-0.56	0.28	-0.06	0.60	0.61	0.54	0.35
Sweden	0.28	1.05	0.07	-0.62	0.46	0.05	0.80	0.62	0.57	0.27
US	-7.57	-9.69	-9.82	-14.18	-15.34	-9.62	-11.68	-13.85	-6.48	-5.72
EU23	0.16	0.90	-0.23	-0.73	0.24	-0.13	0.30	0.58	0.38	0.20
Rest of the world	-1.49	0.15	-1.95	-1.99	-1.09	-1.27	0.19	-0.74	-0.27	-0.49
World	-0.26	-0.19	-0.22	0.14	-0.21	-0.19	-0.18	-0.25	-0.36	-0.54
Export from Germany										
China	-3.77	-3.67	-4.69	-2.32	-6.27	-4.81	-4.41	-3.66	-2.85	-3.22
France	0.28	2.14	0.35	0.15	0.35	0.13	0.89	0.39	0.65	0.47
Germany	-	-	-	-	-	-	-	-	-	-
Italy	0.39	2.81	0.29	-0.84	-0.03	0.41	0.88	0.54	0.45	0.39
Sweden	0.16	-0.10	-0.18	-0.21	0.10	0.03	0.78	0.22	0.40	0.45
US	-8.51	-2.33	-5.69	10.14	-5.01	-6.93	-6.22	-5.09	-7.34	-7.74
EU23	0.38	0.99	0.23	-0.39	0.31	0.15	1.17	0.59	0.60	0.51
Rest of the world	1.60	0.81	1.13	0.01	1.37	1.04	1.84	2.03	-0.48	1.24
World	0.30	0.97	-0.13	0.43	-0.67	-0.01	0.09	0.07	-0.70	-0.45

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 2 – 10 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Table C27. Percentage change in Italy's bilateral trade, by sector, by country/region – Scenario 2

	Agriculture & Food	Natural resources	Other manufacturing	Computer & electronic	Industrial machinery	Paper & wood	Pharmaceutical & chemical	Motor vehicles & transport	Transport services	Services
Import to Italy										
China	6.05	12.03	7.90	9.66	10.84	8.82	9.76	8.85	6.24	5.18
France	0.41	3.55	0.03	-1.09	-0.05	0.36	0.79	0.38	0.42	0.23
Germany	0.39	2.81	0.29	-0.84	-0.03	0.41	0.88	0.54	0.45	0.39
Italy	-	-	-	-	-	-	-	-	-	-
Sweden	0.41	0.00	0.20	-0.87	0.06	0.42	0.87	0.60	0.36	0.20
US	-7.68	-9.70	-9.78	-13.86	-15.71	-9.31	-11.65	-14.30	-6.68	-5.80
EU23	0.28	3.26	-0.19	-1.28	-0.14	0.22	0.39	0.52	0.16	0.16
Rest of the world	-1.83	-0.08	-2.24	-2.11	-1.49	-2.14	-0.14	-1.39	-0.29	-0.51
World	-0.35	-0.26	-0.23	0.34	0.08	-0.31	-0.14	-0.11	-0.24	-0.39
Export from Italy										
China	-3.88	-3.66	-3.28	-2.65	-6.31	-4.96	-4.74	-3.54	-2.99	-3.20
France	0.31	2.11	0.22	-0.14	0.30	-0.04	0.69	0.42	0.53	0.33
Germany	0.26	0.70	0.08	-0.56	0.28	-0.06	0.60	0.61	0.54	0.35
Italy	-	-	-	-	-	-	-	-	-	-
Sweden	0.20	-0.44	-0.28	-0.54	0.02	-0.08	0.62	0.32	0.29	0.31
US	-8.19	-1.86	-1.29	9.23	-4.94	-5.87	-6.78	-5.01	-7.54	-8.25
EU23	0.36	0.80	0.12	-0.74	0.26	0.03	0.97	0.66	0.48	0.35
Rest of the world	1.30	0.33	0.83	-0.40	1.41	1.45	1.70	2.26	-0.08	1.21
World	-0.31	-0.18	0.10	0.09	-0.17	0.04	0.03	0.06	-0.27	-0.27

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 2 – 10 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Table C28. Percentage change in the US bilateral trade, by sector, by country/region – Scenario 2

	Agriculture & Food	Natural resources	Other manufacturing	Computer & electronic	Industrial machinery	Paper & wood	Pharmaceutical & chemical	Motor vehicles & transport	Transport services	Services
Import to the US										
China	-55.17	-87.88	-69.46	-74.22	-70.18	-63.59	-68.16	-60.49	-51.75	-52.65
France	-8.25	-1.87	-2.11	8.66	-4.63	-6.78	-6.80	-5.30	-7.39	-8.01
Germany	-8.51	-2.33	-5.69	10.14	-5.01	-6.93	-6.22	-5.09	-7.34	-7.74
Italy	-8.19	-1.86	-1.29	9.23	-4.94	-5.87	-6.78	-5.01	-7.54	-8.25
Sweden	-8.26	-1.86	-6.17	10.66	-4.99	-7.64	-6.27	-5.08	-7.47	-7.89
US	-	-	-	-	-	-	-	-	-	-
EU23	-7.63	-33.67	-4.01	8.97	-5.12	-7.45	-6.44	-4.75	-7.64	-8.06
Rest of the world	-0.14	-1.29	13.54	29.00	4.49	1.99	1.09	-1.59	-6.57	-0.37
World	-3.53	-1.48	-10.92	-8.05	-5.68	-10.41	-6.37	-4.35	-7.81	-3.89
Export from the US										
China	-11.00	-10.93	-14.70	-16.74	-20.81	-14.08	-16.16	-17.38	-9.05	-8.79
France	-7.43	-9.73	-9.35	-14.18	-15.33	-9.59	-11.52	-14.86	-6.43	-5.66
Germany	-7.57	-9.69	-9.82	-14.18	-15.34	-9.62	-11.68	-13.85	-6.48	-5.72
Italy	-7.68	-9.70	-9.78	-13.86	-15.71	-9.31	-11.65	-14.30	-6.68	-5.80
Sweden	-7.45	-8.45	-10.26	-14.62	-15.55	-9.78	-11.66	-14.32	-6.72	-5.72
US	-	-	-	-	-	-	-	-	-	-
EU23	-7.54	-9.27	-9.47	-14.39	-15.41	-9.56	-11.32	-13.53	-6.51	-5.70
Rest of the world	-6.46	-10.39	-8.96	-13.63	-13.95	-8.57	-10.45	-11.87	-5.28	-4.64
World	-7.19	-10.25	-9.37	-14.00	-14.60	-9.40	-11.13	-12.68	-5.75	-5.21

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 2 – 10 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Table C29. Percentage change in China's bilateral trade, by sector, by country/region – Scenario 2

	Agriculture & Food	Natural resources	Other manufacturing	Computer & electronic	Industrial machinery	Paper & wood	Pharmaceutical & chemical	Motor vehicles & transport	Transport services	Services
Import to China										
China	-	-	-	-	-	-	-	-	-	-
France	-3.75	-3.66	-4.02	-3.07	-6.16	-4.91	-4.64	-4.27	-2.84	-3.21
Germany	-3.77	-3.67	-4.69	-2.32	-6.27	-4.81	-4.41	-3.66	-2.85	-3.22
Italy	-3.88	-3.66	-3.28	-2.65	-6.31	-4.96	-4.74	-3.54	-2.99	-3.20
Sweden	-4.55	-3.67	-4.96	-2.47	-6.19	-4.92	-4.58	-3.58	-3.07	-3.39
US	-11.00	-10.93	-14.70	-16.74	-20.81	-14.08	-16.16	-17.38	-9.05	-8.79
EU23	-3.77	-3.60	-4.85	-3.63	-6.30	-5.00	-4.85	-3.49	-3.15	-3.37
Rest of the world	-5.06	-3.63	-6.69	-6.54	-7.62	-6.49	-7.20	-4.66	-5.28	-4.68
World	-5.94	-3.71	-6.92	-6.64	-8.17	-7.17	-7.40	-6.86	-5.49	-5.22
Export from China										
China	-	-	-	-	-	-	-	-	-	-
France	5.69	-0.20	7.98	10.72	11.35	8.82	9.82	9.25	5.94	5.14
Germany	5.64	-0.22	7.76	10.28	11.35	8.81	9.66	8.88	5.76	5.16
Italy	6.05	12.03	7.90	9.66	10.84	8.82	9.76	8.85	6.24	5.18
Sweden	5.65	-0.49	7.60	10.60	11.06	8.74	9.61	8.12	5.70	5.11
US	-55.17	-87.88	-69.46	-74.22	-70.18	-63.59	-68.16	-60.49	-51.75	-52.65
EU23	5.76	-0.37	7.80	10.43	11.28	8.69	10.18	8.56	5.50	5.25
Rest of the world	7.87	9.41	8.71	11.37	12.60	10.40	11.27	10.76	3.98	6.96
World	2.11	3.10	-6.53	-7.10	3.91	-2.32	3.10	0.62	0.80	0.29

Source: The National Board of Trade's calculations in METRO.

Note: Scenario 2 – 10 percentage points additional tariffs for all US imports except for from China where a 60 per cent flat tariff rate is introduced on all imported goods.

Sammanfattning

Summary in Swedish

Denna rapport analyserar de ekonomiska effekterna om USA skulle införa omfattande importtullar mot Kina och övriga världen, vilket Donald Trump har sagt att han avser göra om han vinner presidentvalet den 5 november 2024. Analysen är gjord genom simulering i modelleringsverktyget Metro.

Analysen visar negativa tillväxteffekter för samtliga undersökta länder och regioner, tillsammans med en betydande minskning av internationell handel.

Även om effekten på Sveriges handel som helhet ser ut att bli begränsad, skulle handeln inom vissa industrier och med enskilda länder drabbas hårdare. Sveriges export till USA beräknas exempelvis minska med cirka 16 procent, främst till följd av en kraftig nedgång i exporten inom fordonsindustrin, som utgör nästan en tredjedel av Sveriges totala export till USA. Även läkemedelsindustrin skulle drabbas negativt. EU som helhet skulle också uppleva ett minskat handelsutbyte med USA. Däremot förväntas EU:s import från Kina öka med cirka 7 procent.

Det land som skulle drabbas hårdast är USA självt, där importen och exporten förväntas minska med 10 respektive 14 procent. Ett noterbart resultat är att de industrier som tullarna främst avser att skydda skulle drabbas hårdast, eftersom dessa är starkt integrerade i globala värdekedjor och därmed beroende av insatsvaror från utlandet. Detta understryker svårigheten att använda tullar som ett effektivt verktyg för att skydda inhemska industrier.

Kina skulle också uppleva en nedgång i handeln, större än för både Sverige och EU, men ändå betydligt mindre än för USA. Kinas export till USA beräknas minska kraftigt, med 66 procent.

Ett införande av omfattande amerikanska tullar mot omvärlden riskerar att medföra flera negativa ekonomiska konsekvenser. För det första riskerar detta driva upp kostnader för både företag och konsumenter, vilket skulle öka risken för stigande inflation i USA. För det andra kan tullarna skapa betydande störningar i de globala handelsflödena, vilket i sin tur kan hämma spridningen av grön teknik och därmed påverka klimatomställningen negativt. För det tredje kan dessa tullar urholka det globala handelssystemets integritet genom att försvaga efterlevnaden av internationella handelsregler. Dessutom kan motåtgärder från USA:s handelspartner vara att vänta, vilket skulle kunna leda till ytterligare påfrestningar för världshandeln. Därför kan de sammantagna konsekvenserna bli allvarligare än vad denna analys visar.

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