

# *Brazil's Lula warns of retaliation after Trump threatens with 50% tariff*

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Brasilia, July 12 (RHC)-- Brazilian President Luiz Inácio Lula da Silva has called on the United States to treat Brazil with respect and warned of possible retaliatory measures if President Donald Trump follows

through on a threat to impose a 50% tariff on Brazilian goods.

Brazil is prepared to retaliate if the tariffs are enforced, he said in an interview posted to his official media account. Earlier, Trump had threatened Brazil with the tariffs that he said could be enforced from August 1st. He has asked the South American country to drop charges against its former president Jair Bolsonaro, who is accused of attempting a coup after refusing to concede the 2022 election.

Trump called the investigation a "witch hunt" and demanded it be dropped, describing Bolsonaro as "a highly respected leader throughout the world." During the interview, Lula said that he initially thought Trump's letter was fake. "The Brazilian people must be respected. Brazilian justice must be respected."

The Brazilian head of state affirmed the nation's sovereignty, adding: "Brazil will adopt the necessary measures to protect its people and its companies."

Unlike many other countries, the U.S. runs a trade surplus with Brazil. Lula rejected Trump's claim that the trade relationship is "far from reciprocal," calling it inaccurate. In 2024, the U.S. exported \$49.7 billion to Brazil and imported \$42.3 billion.

Experts say using tariffs to pressure a country's judiciary is provocative. Marc Busch, a Georgetown professor, warned Brazil may respond more seriously than Trump's other trade partners. Brazil's Finance Minister Fernando Haddad urged resolving disputes through diplomacy.

Tensions rose after the BRICS summit in Rio, where Lula said, "We don't want an emperor; we are sovereign nations," responding to Trump's threats.

Brazilian exporters, including coffee growers, worry tariffs will harm the economy. Brazil is the world's largest coffee exporter, and tariffs could raise U.S. prices.

Trump also threatened an extra 10% tariff on BRICS countries labeled "anti-American." He insists tariffs aim to reduce US trade deficits, although the U.S. has a surplus with Brazil. Lula vowed retaliation if tariffs proceed, saying, "Brazil is a sovereign nation with independent institutions and will not accept any form of tutelage." He insisted the Bolsonaro case is a judicial matter "not subject to interference or threat."

Trump has used tariffs before for political leverage, as in 2023 with Colombia over deportees. In 2023, Brazil was the U.S.'s 15th-largest trading partner, with total trade valued at \$104 billion. Major US exports to Brazil included aircraft and spacecraft (\$7 billion), fossil fuels (\$9 billion), and industrial machinery (\$10 billion). Brazil's exports to the US included crude oil and fossil fuels (\$8.8 billion), iron and steel (\$5 billion), and soybeans (\$3.3 billion).

Tariffs could hurt Brazilian companies, especially in metals and agriculture, potentially slowing economic growth by 0.3 to 0.4 percentage points. U.S. companies may face higher costs while seeking alternatives for Brazilian goods like steel, beef, and coffee. Increased Brazilian ethanol exports to the US could benefit US farmers.

Bolsonaro, president from 2019 to 2023, refused to concede after losing in 2022, alleging election fraud. His supporters later attacked Brazil's government institutions. Bolsonaro and 33 others now face charges of attempting a coup and could face up to 40 years in prison.

[ SOURCE: AFP and NEWS AGENCIES ]



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