

Welcome to a new edition of the [bilaterals.org](https://bilaterals.org) podcast where we discuss the most recent developments around free trade and investment agreements.

Donald Trump's return to power and his renewed tariff policies are shaking the foundations of the neoliberal global trade order that was largely shaped by the US itself and its allies since the collapse of the Soviet bloc in the early 1990s. However, his actions follow a historical pattern in US policy, where trade has long been a tool of dominance, used alongside military and diplomatic power to maintain economic supremacy.

Since the 1990s, the US has led the global economy under a neoliberal framework benefiting its multinational corporations. Trade liberalisation often coincided with military interventions, as seen in George W. Bush's war on terror. The US legal system has also been used as an economic weapon, disproportionately targeting foreign corporations while shielding American interests. Throughout history, trade agreements have been driven by strategic goals, with trade deals rewarding loyal allies and punishing rivals. Under Trump, this approach intensified, replacing multilateralism with a transactional, coercive strategy.

Trump's second term represents a break from past neoconservative policies, abandoning rhetoric about democracy promotion in favour of raw deal-making. His administration bullies traditional allies, imposing tariffs and sanctions to extract concessions. While prior administrations also engaged in economic pressure, Trump has escalated this trend. His administration weaponises tariffs and sanctions against Canada, Mexico, Panama, and the European Union to advance US geopolitical aims. His aggressive stance on digital trade, favouring Big Tech and targeting foreign regulations, strives to further consolidate US corporate dominance in the digital economy.

On the other side of the Atlantic, the European Union remains locked in a 1990s-era free trade mindset, pushing ahead with new trade agreements despite shifting global realities. Since Trump's re-election, the EU has finalised deals with Mercosur and Mexico while accelerating talks with several Asian nations. At the same time, its energy transition is fueling a rush for raw materials, particularly lithium that is crucial for electric vehicles and renewable energy. This scramble mirrors past neocolonial extraction patterns, prioritising corporate supply chains over environmental and social concerns.

Despite attempts to frame these deals under sustainability rhetoric, the EU's trade policies continue to serve big business rather than adapting to today's economic and geopolitical challenges. New frameworks like "sustainable investment facilitation agreements" and "clean trade and investment partnerships" are designed to expand market access for European multinationals, reinforcing a neoliberal model increasingly out of step with global shifts. As crises—from financial meltdowns to climate change—expose the failures of unregulated globalisation, the EU's unwavering commitment to outdated free trade agreements risks deepening inequalities and environmental destruction rather than addressing the urgent need for a fairer, more sustainable global trade system.

The global South faces mounting pressure as major powers reshape trade dynamics to serve their strategic interests. Weaker economies are increasingly vulnerable to instability, while stronger ones, like India and Vietnam, are being targeted by Trump's aggressive trade tactics. Tariffs and threats are being used to force market concessions, and nations considering alternatives to the US dollar—particularly within BRICS+—are facing potential sanctions. This highlights Washington's ongoing efforts to maintain economic dominance through financial leverage and coercion.

However, some BRICS+ members, especially Russia and China, are using this shifting landscape to attract disillusioned Southern economies seeking alternatives to Western influence. By expanding trade agreements and challenging US-led financial systems, they are

positioning themselves as more stable economic partners. Meanwhile, emerging regional powers from the BRICS+ bloc like the United Arab Union, Iran, and Indonesia are leveraging their trade networks to strengthen their influence.

Yet despite these shifts, US dominance in global trade remains strong, reinforced by the power of the dollar and the near-monopoly of American tech giants, which control vast portions of internet infrastructure and cloud computing worldwide.

Trump's return underscores a broader reality: free trade, as envisioned in the 1990s, has failed. In the West, it has led to deindustrialisation, inequality, and a disenfranchised working class. In the Global South, it has fueled environmental degradation, labour exploitation, and economic dependency. The fact is that the neoliberal model has primarily served the interests of major powers and corporations.

The challenge now is to reshape global trade for the 21st century. However, if the alternative is Trump-style economic coercion and authoritarian capitalism, the world faces even greater instability. Without prioritising human rights, social justice, and strong sustainability, history's mistakes will only be repeated on a more devastating scale.

And that's it for today. I'm Nicolas Roux, [bilaterals.org](https://bilaterals.org). If you'd like more information about today's podcast, you can check out the links provided in the description. More trade news coming up soon. In the meantime, you can visit [bilaterals.org](https://bilaterals.org).