

Brazil scrambles to respond to Trump's 50% tariffs

Reuters - By Fabio Teixeira and Ricardo Brito | Jul 10 2025 at 12:40 PM | [International Trade](#)

Brazil scrambled to respond to U.S. President Donald Trump's announcement of 50% tariffs on Brazilian exports, with President Luiz Inacio Lula da Silva convening an urgent cabinet meeting on Thursday as officials worked to de-escalate the crisis.

Brazilian diplomacy "has always been available to the American government to seek a solution of greater partnership and greater understanding, as we have always done," Finance Minister Fernando Haddad told reporters on Thursday.

"I don't believe this situation will continue," he said, calling the tariffs announced by Trump on Wednesday "unsustainable."



Brazil's President Luiz Inacio Lula da Silva speaks to the media at the BRICS Summit in Rio de Janeiro, Brazil July 7, 2025. REUTERS/Ricardo Moraes

Two government sources told Reuters that Lula is calibrating Brazil's response and is unlikely to announce concrete measures on Thursday. His chief of staff said the government is forming a working group to decide how to react.

While Lula said on Wednesday that Brazil would respond to any tariffs with reciprocal measures, the sources said diplomatic efforts were gaining traction within the government on Thursday.

The U.S. tariffs, slated to take effect on August 1, were tied by Trump to Brazil's treatment of former President Jair Bolsonaro, who is standing trial before the country's Supreme Court under charges of plotting a coup to stop Lula from assuming office in 2023.

Haddad criticized Bolsonaro and Brazil's far-right opposition for perpetuating claims of legal persecution against the former president. "This blow against Brazil, against national sovereignty, was orchestrated by extremist forces within the country," Haddad said. "Even the far right will have to admit sooner or later that it shot itself in the foot."

The U.S. is Brazil's second largest trading partner after China and has a rare trade surplus with world's top economic power.

The tariffs could have a significant impact on food prices in the U.S., experts say, with the South American agricultural powerhouse being a major seller of coffee, orange juice, sugar, beef and ethanol to the U.S., among other products.

Brazil's real weakened as much as 2% against the U.S. dollar in spot trading on Thursday, before paring some losses to trade down 0.7%. Benchmark stock index Bovespa slipped 0.7%, with planemaker Embraer and meatpacker Minerva among the biggest fallers.