Nations reject Trump's 'arbitrary' tariffs

cnbc.com/2026/07/24/cnbc-daily-open-trumps-trade-tariffs-arbitrary.html

Leonie Kidd July 24, 2026

Key Points

- U.S. trading partners have rejected the latest move to impose further tariffs.
- President Trump has announced plans to use a law related to labor standards violations to extend his trade levies.
- Stocks in Asia are trading lower after a sell-off across Wall Street.
- German carmaker Volkswagen has cut its sales guidance for 2026.
- Tech giant SAP has trimmed its 2026 profit goal on AI spending impact.

US President Donald Trump speaks at Wheeler High School, in Marietta, Georgia, on July 22, 2026.

Saul Loeb | AFP | Getty Images

Hello, this is Leonie Kidd coming to you from London.

Back to the future.

The Trump administration has found a new route to impose tariffs on U.S. trading partners across the globe.

The fatigue is palpable as the international community reacts with a mix of frustration and anger to what they see as more unfair restrictions.

What you need to know today

The international community has reacted with frustration and anger to U.S. President Donald Trump's latest barrage of global tariffs.

Trading partners from across the world have rejected the move and its rationale. Brazil's government branded the levies "arbitrary," Australia said the action was "unjustified," and Japan's government called the action "regrettable."

The Office of the U.S. Trade Representative took action on Thursday under Section 301 of the Trade Act of 1974, imposing tariffs on 60 economies for what Washington called their failure to impose and enforce bans on goods made with forced labor.

The duties — 10% for partners that have adopted or committed to import prohibitions, 12.5% for those that haven't — cover the top 60 U.S. trade partners and 99.4% of American imports.

Risk aversion

Stocks across Asia are in the red, led lower by South Korea's Kopsi and Japan's Nikkei 225.

This after Wall Street closed lower as pressure from the big tech stocks weighed on the broader index, while a spike in oil prices and Treasury yields also spooked investors.

For now, futures across Europe and the U.S. point to a more muted open both sides of the Atlantic.

VW

German car giant Volkswagen has cut its sales guidance for 2026 after profit slumped in the second quarter. The group is expected to slash its model lineup and announce a round of job cuts that could impact as many as 100,000 roles.

Tune into Squawk Box Europe for an interview with VW's CFO Arno Antlitz.

SAP

Europe's technology champion, SAP, has cut its profit outlook, citing the impact of higher costs related to its AI acceleration. The group said recent AI-focused data acquisitions had a "more than €100 million ($114 million) dilutive impact."

Squawk Box Europe will speak with SAP's CFO Dominik Asam. You can watch here.

And Finally...

OpenAI's Hugging Face hack triggers 'AI Kill Switch' bill in Congress

Rep. Ted Lieu, D-Calif., and Rep. Nathaniel Moran, R-Texas, on Thursday introduced a bill called the "AI Kill Switch Act," which would require artificial intelligence companies to maintain the ability to shut down, throttle or suspend their models.

"Unfortunately, powerful AI systems can go rogue, behave in extremely dangerous ways, or even resist human intervention," Lieu said in a statement. "It is imperative that these AI systems have kill switches so we can keep this technology from causing catastrophic harm, and that the federal government has the clear authority and process to shut down rogue AI models."

— *Ashley Capoot*

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