

“Tariffs, Tantrums and Trade: Steering Through a Leaderless Global Economy”

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When we last wrote, the world was reeling from President Trump’s so called ‘Liberation Day’. Days later, he capitulated—at least partially—announcing a 90-day pause for most nations. While markets rallied on the news, long-term confidence remains fragile. The real story here is not the volatility of tariffs, but the volatility of leadership.

As economic stewards, we are often asked: *What happens next?* But perhaps the more enduring question is: *What does this moment reveal about the shape of the global economy—and how should long-term investors respond?*

The End of Predictability

Trade policy used to move slowly—through white papers, summits and painstaking negotiations. Today, it can flip on a morning whim, reshaped by political expedience or electoral pressure. That isn’t just a U.S. phenomenon, but the scale and visibility of American decisions give them outsized influence.

What has changed is not just policy—but predictability. In a rules-based global order, tariffs are a last resort. In a leaderless system, they become opening gambits.

The UK and Europe: Strategic Drift

For the UK and Europe, this poses a particular challenge. With the U.S. playing a transactional game and China engaged in increasingly tit-for-tat responses, Europe finds itself caught between giants with diverging rules of engagement. The European Union’s careful balancing act—responding firmly without escalating—has so far been disciplined, but its room for manoeuvre is narrowing.

The UK, meanwhile, is discovering the hard way that “Global Britain” has few levers when global rules are up for grabs. Recent UK trade missions have been overshadowed by the sheer unpredictability of the U.S. position—no small issue when America remains one of our largest trading partners and security allies.

Without clarity from Washington, and with Beijing’s agenda hardening, the UK and EU must ask hard questions about strategic autonomy, industrial resilience, and what kind of alliances they want to build in a post-consensus world.

The Rest of the World: Shifting Gravity

While headlines centre on Washington and Wall Street, the most lasting effects may be felt elsewhere. Emerging economies—especially in Africa, Southeast Asia,

and Latin America—are watching closely. A breakdown in multilateralism makes it harder to attract investment, to build supply chains, to plan for growth.

But here too, new coalitions are forming. Countries like India, Brazil, Indonesia and Vietnam are no longer passive actors in the trade story. They are recalibrating, not retreating. Whether through regional blocs or bilateral deals, they are asserting their own economic identities—sometimes more successfully than the old guard.

What Investors Should Do

As always, our view is shaped by long-term responsibility, not short-term noise. We don't chase headlines. But we do pay close attention to what they reveal.

1. **Diversify internationally, but thoughtfully.** The old assumption—that globalisation will smooth out political risk—needs revisiting. Exposure to global markets is still essential, but judgment matters more than ever in selecting partners, regions and sectors that can adapt to disruption.
2. **Look for pricing power and adaptability.** In a world of shifting tariffs, companies with resilient supply chains, loyal customer bases and innovation capacity will outperform those dependent on fragile assumptions.
3. **Keep ethical discipline at the core.** The temptation in volatile markets is to “go anywhere.” We resist that. The world is in flux, but values must be anchored. We continue to apply our ethical framework rigorously, not just because it's principled—but because in uncertain times, clarity of purpose becomes a competitive advantage.

Final Thought

The tariff suspension may prove to be just another twist in the ongoing drama of American politics. But the bigger story is about the breakdown of shared economic rules and the rise of political improvisation.

In such a world, it is tempting to either panic or disengage. We choose neither.

Instead, we remain committed to patient capital, principled investment, and global engagement rooted in realism—not nostalgia. In a time of noise, our job is to listen carefully, act deliberately, and speak with clarity.

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