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Tariffs, Tariffs, Tariffs: A Global Economic Outlook Under Trump 2.0 (Part 2)

In our previous article, NIACE gave readers a broad outlook of what the global economy might look like under Trump 2.0 and the challenges entailed. In Part 2 of this running series, we will rate and slate the potential winners, losers and neutrals on the predicted policy shifts from Trump 2.0.

With Canadian and Mexican tariffs now in full force coupled with a doubling of Chinese tariffs, Canadian Prime Minister Justin Trudeau and Mexican President Claudia Sheinbaum have announced retaliatory tariffs on US imports. Economists and industry experts have cautioned that Donald Trump's aggressive protectionist measures could spark negative consequences globally which includes accelerated inflation that would likely hurt consumers the most. The stock market suffered a dramatic sell-off after Trump's announcement as 3rd March 2025 marked the worst day for the S&P 500, dipping 1.8% into negative territory for the year to mark its worst day since December. Additionally, the futures market was also under pressure from the sell-off in equity markets. Under a Trump 2.0 presidency, several sectors are expected to experience significant shifts, creating both winners and losers. Trump's policies, which include tax cuts, deregulation, and an "America First" approach to trade, are anticipated to reshape the economic landscape.

Analysing the Winners

Financial Services: Deregulation is expected, with pro-growth policies and reduced capital requirements. The market may anticipate an easing of restrictions, a rollback of proposed capital increases, and less aggressive enforcement by federal agencies.

Energy Sector: Policies will favour domestic production and deregulation. Tax breaks, reduced red tapes, expediting projects, and increased offshore drilling rights are expected to benefit oil and gas companies. Consequently, price levels for consumers could ease as favourable policies might spur industry players to pass on cost savings to consumers.

Manufacturing: An "America First" policy aims to increase manufacturing jobs. Construction and industrial companies tied to building data centers, autos, and pharmaceuticals could benefit. Beneficial employment policies at job creation could see further support for the manufacturing workforce. This would likely give manufacturing players wider margins.

Traditional Energy Production: There may be increased support for conventional natural gas-fired thermal power generation and traditional energy production, including increased drilling and mining on federal land for oil and gas.

Airlines: Deregulation involving sustainability, passenger rights, and M&A may occur. A rollback of environmental regulations may reduce demands on airlines for cleaner operations. Consequently, favourable policies would see higher margins for airlines at the expense of passenger comfort and convenience.

Cryptocurrencies: The industry, which is widely believed to be the biggest winner, is likely to see clarity of regulation under law rather than regulation through enforcement. Trump is likely to create a cryptocurrency advisory council to foster clarity of crypto rulemaking and appoint agency leaders who favour a robust crypto market. With the list of cryptocurrencies that will be included in the strategic reserve announced, the industry is widely believed to benefit the most from Trump 2.0 policies and would likely see accelerated growth.

Real Estate: Companies with significant manufacturing bases in the U.S. may gain competitive advantages from an increased demand from other sectors looking to mitigate the aftermath of the new trade policies. Additionally, tariffs may encourage greater foreign direct investment.

Technology: A business-friendly regulatory environment, focusing on less federal oversight and more incentives to innovate in the technology sector is anticipated. This could help spur more funding into the sector, potentially giving rise to more innovative breakthroughs.

Analysing the Losers

Agriculture: Fresh tariffs on its trade partners will provoke retaliatory actions, adversely affecting domestic agriculture. Overnight, US agricultural produce will be less attractive to affected countries due to the surge in prices. Additionally, a reduced labour pool owing to stricter immigration laws would likely create a significant challenge for the sector.

Construction: Strict immigration restrictions will affect the labour pool available to the construction sector. Additionally, tariffs will increase the cost of materials imported from abroad which puts further pressure on margins. Essentially, the construction sector will be one of the hardest hit from Trump 2.0.

Consumer Retail and Telecommunications: Companies relying on trade with foreign suppliers will be greatly affected by tariffs as higher costs could disrupt the global supply chains of retail and telecommunications players. Consequently, lower gross margins would likely see companies pass on the higher operating costs to consumers.

Higher Education: Changes in student visa rules could significantly affect the financial viability of smaller institutions. Private universities with large endowments may receive more scrutiny from a Republican-controlled Congress. Consequently, the sector may experience higher unemployment rates stemming from a more challenging operating environment.

Renewables: The Trump administration is not expected to support the growth of the renewable energy sector. Under Trump's previous presidency, he infamously withdrew from the Paris Climate Accord and his stance for this presidency would likely remain status quo as Donald Trump is notoriously known to be a supporter of the traditional energy sectors.

Neutrals: Analysing the Sectors which will Emerge "Unscathed"

Aerospace/Defense: A second Trump term could increase the military budget, resulting in more contracts and revenue for companies in the industry. However, the industry would likely face major supply chain disruptions from the tariffs as numerous players do source parts or supplies from overseas partners.

Healthcare/Life Sciences: There will likely be a continued focus on lowering drug prices although plans for reproductive healthcare policy remain unclear. Reproductive health has been one of the main topics of contention in the healthcare industry and consumers would likely want some form of clarity from the Trump administration.

Industrials: While Trump's tariffs will protect U.S. industrials in their domestic market, they could also affect the cost and availability of materials sourced through global supply chains. Parts and resources sourced from abroad would likely see their costs sky-rocket, potentially negating any financial benefit from Trump's protectionist policies.

Insurance: Trump's campaign suggested allowing insurers to divide Affordable Care Act (ACA) enrollees into different risk pools, which may lead to lower costs for healthier people and higher costs for people who are older or with preexisting conditions. Regulation and other aspects would likely remain unchanged.

Logistics: Fewer restrictions on oil and gas production could reduce energy costs, which will likely benefit U.S. trucking and other domestic logistics services stemming from lower operating expenses and higher gross margins.

Media and Entertainment: Trump's election presents a mixture of opportunities and challenges. Trump's pro-business, pro-growth agenda could stimulate the overall economy, creating more disposable income for people to spend across the M&E sectors. However, accelerated inflation from other sectors could erode consumer confidence and could

Utilities: The president-elect is widely expected to continue supporting the coal, oil and natural gas industries (traditional energy industries), potentially leading to more favourable regulations and policies for the utilities sector.