

The Implications of Trump's Withdrawal from International Organizations and Agreements on Global Trade

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Since World War II, the global order has rested on three U.S.-led pillars: free trade, human rights, and multilateral cooperation. Yet under Donald Trump, the United States repeatedly withdrew from international organizations and agreements, shaking allies' trust in its commitments and undermining its moral authority. Washington's unpredictable behavior made it seem less like a reliable partner and more like a self-interested power. A Pew Research Center survey in June found that in 19 of 24 countries, majorities expressed little or no confidence in Trump's handling of international affairs. In Canada—once among the closest U.S. allies—63 percent of respondents now held an unfavorable view of the United States, up from 40 percent a year earlier. In Europe and Japan, frustration over Washington's coercive trade and security policies has even led some partners to reconsider their military purchases and broader dependence on the U.S.

Trump's "reciprocal tariff" strategy deepened that rift. His aggressive use of tariffs and threats to withdraw from multilateral frameworks violated the World Trade Organization's (WTO) nondiscrimination principle and disrupted decades of rule-based trade. For instance, Washington imposed a 50 percent tariff on Indian exports—25 percent for trade imbalances and another 25 percent as punishment for importing Russian oil—effectively treating India as a rival despite years of U.S. efforts to cultivate it as a counterweight to China. Such unilateral actions weakened faith in U.S. leadership and fractured the coalition meant to constrain Beijing's influence.

Overall, Trump's withdrawal from international organizations and agreements has three major implications for the global economic and trade system:

Undermining Free Trade and Accelerating Non-U.S. Economic Integration


Trump's trade nationalism has done more than erode trust—it has pushed other economies closer together. Since 2019, the U.S. blockade of appointments to the WTO Appellate Body has paralyzed the organization's most powerful dispute-settlement function. Upon returning to office, Trump doubled down on a “tariff-first” approach, favoring bilateral deals over multilateral cooperation. This forced many governments to rethink their overreliance on the U.S. market and to explore new integration pathways.

The European Union has reacted most assertively. Facing U.S. protectionism, it revived dormant free-trade negotiations, deepened engagement with emerging economies, and even voiced interest in joining the CPTPP. Although full membership remains distant, institutional cooperation between the EU and CPTPP—two high-standard frameworks—could offer a meaningful counterbalance to American unilateralism. The EU's strategy aims not only to shield itself from U.S. trade shocks but also to reclaim influence in setting global trade norms.

The BRICS countries have also pushed back. After the U.S. slapped a 50 percent tariff on Brazilian goods, President Lula vowed to take the dispute to the WTO and refused to compromise, reflecting both his opposition to U.S. pressure and Brazil's growing dependence on China—now accounting for 28 percent of Brazilian exports, more than double the U.S. share. At their summit, BRICS leaders jointly condemned unilateral trade actions—an unmistakable rebuke of Washington's behavior.

Retreat from Global Environmental Governance

Trump's rejection of climate policy represents another break from the postwar consensus. Within months of taking office, he scrapped much of the Biden administration's clean-energy agenda, declared a “national energy emergency,” and expanded fossil-fuel exploration while rolling back fuel-efficiency standards. These moves reversed years of progress in energy transition and cast doubt on global climate cooperation.



Because the U.S. remains central to global energy markets, its retreat has had a chilling effect on investment in green manufacturing, renewable energy, and electric-vehicle supply chains. Some developing countries, including Indonesia and Argentina, have already signaled plans to delay carbon-reduction goals. Meanwhile, the EU—facing competitive pressure—has softened some sustainability and due-diligence requirements to lower industry costs. The exit of major U.S. banks from the Net-Zero Banking Alliance has further constrained green financing, hurting emerging markets most.

Consequences for Developing Countries

The U.S. has long been a cornerstone funder of multilateral institutions—covering 22 percent of the UN’s regular budget, roughly half of the World Food Programme’s funds, and around 10 percent of UNICEF’s income. When Washington cuts support or withdraws, the impact is immediate: humanitarian operations shrink, and development projects stall. Its withdrawal from the World Health Organization, once its largest single donor, severely disrupted vaccine delivery and public-health programs in low-income countries.

Implications for Taiwan

For Taiwan, these shifts carry mixed risks and opportunities. The paralysis of the WTO dispute-settlement system limits Taipei’s ability to safeguard its trade interests through multilateral rules, making it more urgent to pursue regional and bilateral accords—particularly accession to the CPTPP and deeper cooperation with democratic partners such as the U.S., Japan, and the EU.

On climate policy, Washington’s retreat could dampen global green investment, yet it also allows Taiwan to stand out as a stable and trustworthy player. By upholding its own net-zero commitments and strengthening industries like semiconductors and EV components, Taiwan can attract partners seeking resilient and sustainable supply chains.

Finally, U.S. cuts to UN and development funding may open new space for Taiwan’s international engagement. Through medical assistance, digital infrastructure,

and agricultural partnerships, Taiwan can act as a “reliable partner” to developing nations—enhancing both its visibility and moral standing.

In sum, Trump’s unilateralism and withdrawal from global commitments have weakened multilateral institutions, intensified fragmentation, and reshaped global trade patterns. For Taiwan, the best response is to reinforce economic resilience, deepen cooperation with like-minded democracies, and contribute proactively to global governance—turning uncertainty into an opportunity to enhance its strategic relevance in a turbulent world.