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[00:00:31] **Speaker 1** The Trump tariffs hit this week. The across-the-board taxes on imports into the US are combined with reciprocal tariffs, hiking the tax on countries with larger trade imbalances, holding steady with the 25% tariffs on Canada and Mexico, on steel and aluminum, and on cars. For other countries, the 10% baseline tariffs on all goods imported into the U.S. will see higher reciprocal rates, like the 20% tariffs. on imports from the European Union. Governor Tony Evers and CEO of the Wisconsin Economic Development Corporation, Missy Hughes, are just now on a trade mission to France and Germany. Is this good timing or bad? We turn to Secretary Missy Hughes, who's in France, and thanks very much for joining us from there.

[00:01:23] **Speaker 2** Yeah, good afternoon from France.

[00:01:25] **Speaker 1** So Secretary Hughes, what has been the reaction where you are to these U.S. tariffs?

[00:01:31] **Speaker 2** Well, we've really seen generally a lot of disappointment from the French officials and the German officials and the businesses that we've been meeting with. It's a real surprise over what's happened. Everyone has expressed to me we have had incredible long-term friendships and really a lot confusion and misunderstanding or confusion about what's happening and what the future holds.

[00:01:58] **Speaker 1** So as to retaliatory tariffs being considered by other countries, what would that mean for U.S. exports, particularly for Wisconsin?

[00:02:08] **Speaker 2** Well, for Wisconsin, we're gonna see challenges around especially our industrial machinery, our large pieces of machines and equipment that we are building and exporting to countries like Germany for use for food processing and the medical industry. So we're really gonna face real challenges for our businesses. And we have businesses every day that like businesses we've brought here to Germany that are exploring exporting. And this is really gonna be a challenge for them as they seek new markets.

[00:02:37] **Speaker 1** So your trade mission is to promote exports, of course, and international investments, and especially, I understand, Wisconsin's biohealth sector. For its part, I understand that France is talking about targeting the US tech sector. What do you say to your counterparts in Europe in the face of this?

[00:03:00] **Speaker 2** Well, first and foremost, things are changing every day. So before we even get into conversations about tariffs, we're talking about our long-term partnerships. We're talking about how Wisconsin is here ready to continue these relationships. But when we're taking about retaliatory tariffs or the tariffs that the U.S. is putting on these countries, it's really concerned about sending the economy into a recession. And there's a fear that even if the tariffs are alleviated, the chilling effect that this is going to have on the economy and the potential recession is really causing concerns for future investment.

[00:03:39] **Speaker 1** So we are seeing the stock market sinking. Certainly consumer confidence is unsteady. You speak about recession for Wisconsin, for the U.S., for the globe.

[00:03:54] **Speaker 2** Yeah, I mean, if you think about the impacts of the tariffs, a company that might be making an investment, a company, that might hiring people, is going to stop and say, well, let's wait and see what happens. And that has a domino effect, then really creating a slowdown and really creating in a recession. I have companies that are talking to me from Wisconsin who are very concerned about what the future holds. They have relied on open trade between Mexico and Canada. They've created supply chains in that way, and now they're really worried about what's going to be the future, and this unpredictability and instability is really hard for businesses to and around.

[00:04:32] **Speaker 1** As to the tariffs on Mexico and Canada, what is the current and potential future impact on Wisconsin?

[00:04:41] **Speaker 2** Well, I think first and foremost, we're going to see impacts on everyday Wisconsinites' pocketbooks. We're going see increases in grocery costs. We're gonna see increases and gas and prices. And that's really going to be having an effect right away. Longer term, we'll see companies really thinking about how do they re- Jigger their supply chains and can they do that it because they've relied on buying from Mexico or buying from Canada and even sending parts back and forth across the borders and now they're going to have to Make decisions about how to continue to make that work or to move into new or more difficult types of business

[00:05:20] **Speaker 1** So overall, should we expect higher prices on just about everything?

[00:05:27] **Speaker 2** It's hard to imagine that this is going to have an impact through and through and through. Even a company I was talking to that imports coffee is facing incredible tariffs. And so we can expect, you know, just at the beginning of our day with coffee to have higher costs. And, you know, we might see increased costs in health care because we'll see medical devices and perhaps drugs costing more. So I think everywhere we're going to see real challenges to what we expect and how we pay our bills.

[00:05:56] **Speaker 1** What can someone like you in your position do about any of this?

[00:06:01] **Speaker 2** Well, first and foremost, we want to provide really good information to our companies. As you pointed out, the tariffs are complex, whether they're reciprocal or coming into the country. We want to make sure they have the best information about that. And then as they explore ways to mitigate risks or ways to move their supply chain around, we wanna be there with the best to be able to supply them and help them act in the most successful way.

[00:06:28] **Speaker 1** Secretary Missy Hughes, joining us from France, thanks so much. Thank you. Thank you, yes. So you obviously planned this trip well ahead of the announcement of these tariffs, but knew presumably that this would be kind of weird ground to tread in this mission.

[00:06:55] **Speaker 2** Yeah, this has been in the works for quite a few months. But certainly, as we see this developing in January and perhaps even before, we had a line of sight to it and we were thinking about it. But it was really important that we still come. We've had a really incredible reception from folks who are just so happy to be able to have a personal conversation and know that they're still friends that they can call on and talk with.

[00:07:24] **Speaker 1** Alright, well thank you so much and have a good rest of your mission.

[00:07:29] **Speaker 2** Thank you. Thank you so much for reaching out. All right, take care. Bye. Thank you, holder of camera. Amazing! You did a great job!