



USA OUTLOOK

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Photo: NYTIMES

Trump's Tax Cut Is Underwater. Can a 'Refund Boom' Save It?

The Republican tax law, originally called the One Big Beautiful Bill and now renamed the Working Families Tax Cut, aims to boost popularity with direct cash payments, or a "refund boom," to make benefits more visible. It includes Trump's promised cuts on tips and overtime, higher standard deductions, and an expanded child tax credit, but many provisions affect only small groups, limiting broad appeal.

Unlike the 2017 tax cuts, most benefits will appear in tax refunds next year rather than through immediate paycheck adjustments, making the savings more noticeable to voters. Still, experts warn that cuts to programs like Medicaid, combined with voters' established political loyalties, may blunt the law's long-term political impact, and many Americans may not associate larger refunds with the legislation itself.

Source:

<https://www.nytimes.com/2025/09/22/us/politics/trump-tax-cuts.html>

Tariff Uncertainty Expected to Slow Global Economic Growth This Year

President Trump's tariff policies are slowing global economic growth, increasing uncertainty, and cooling investment and trade, according to the Organization for Economic Cooperation and Development (OECD). The full impact of higher U.S. tariffs is still unfolding, but American consumers have begun reducing spending, while companies in affected countries have curtailed hiring or cut jobs. Global growth is forecast at 3.2 percent in 2025, slightly down from 3.3 percent in 2024, and expected to slow further to 2.9 percent in 2026 as tariffs ripple through supply chains and consumer behavior. The United States, supported by AI investments, has so far absorbed some tariff costs through inventories and profit margins, but private consumption is weakening, with growth projected to slow to 1.8 percent in 2025 and 1.5 percent in 2026. Europe is expected to grow 1.2 percent this year and 1 percent next year, while China's growth is forecast at 4.9 percent in 2025 and 4.4 percent in 2026.

Slower growth and weaker employment are expected to ease inflation in major economies, but central banks are urged to remain vigilant. Rising debt and deficits add fiscal pressure, while financial markets reflect heightened uncertainty, with U.S. Treasury yields at historically high premiums and gold prices reaching record highs above \$3,770 an ounce. The OECD emphasizes that resolving trade tensions is crucial for restoring global growth and recommends productive international engagement to make trading arrangements fairer and more efficient.



Source:

<https://www.nytimes.com/2025/09/23/business/global-economy-trump-tariffs.html>

H-1B applications by salary

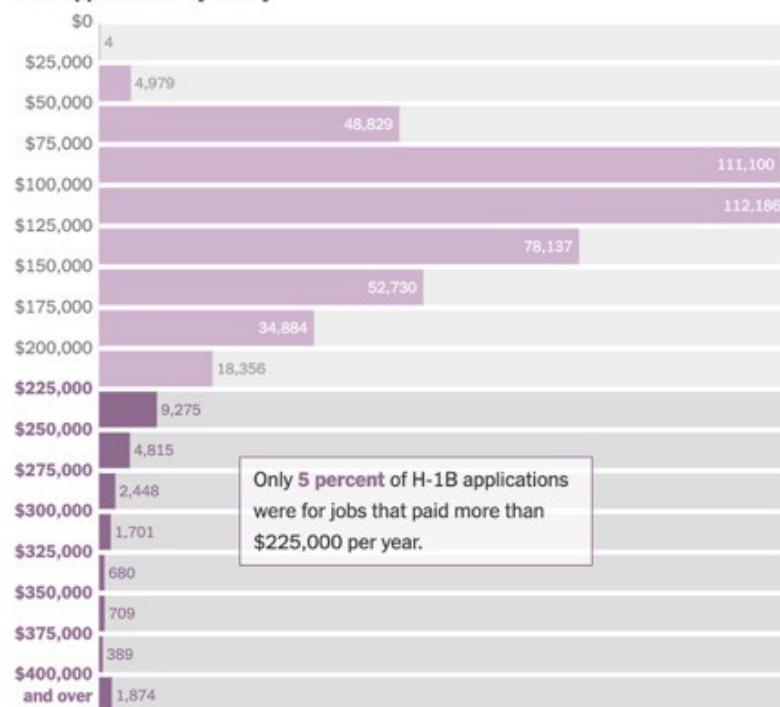


Photo: NYTIMES

\$100,000 Per Employee: How the H-1B Visa Fee Could Reshape Work Forces

A new \$100,000 fee per worker for H-1B visa applications, which took effect this week through a Trump executive order, is set to dramatically reshape how companies use the program to hire foreign talent. Previously costing around \$10,000, the sharp increase means firms will now need to focus on higher-earning employees to justify the expense. Economists estimate that a worker would need to earn about \$225,000 over three years for the visa to break even, though this threshold drops to \$111,000 if renewed for another term. Since only 5% of recent H-1B applications were for salaries above \$225,000, the new fee could price out many lower- and mid-wage positions.

Tech giants like Amazon and Google, which frequently hire through the program, may face less competition in the visa lottery as smaller companies pull back. Yet even these firms often sponsor workers earning below the break-even point; for example, only 4% of Amazon's 21,600 applications last year exceeded \$225,000. Outsourcing companies like Tata, which applied for thousands of lower-wage visas, are expected to be hit especially hard. The policy introduces uncertainty since companies must pay the fee upfront without a guaranteed visa, and overall application numbers may decline sharply.

Trump Expands Tariffs Beyond Supreme Court's Reach

President Trump has expanded tariffs on foreign goods using Section 232 national security laws, creating a system largely protected from ongoing Supreme Court challenges. While the Court prepares to review his use of emergency economic powers in November, the administration is imposing new tariffs of 25 to 100 percent on pharmaceuticals, semi trucks, kitchen cabinets, and furniture starting October 1, and has opened investigations that could lead to further tariffs on machinery, medical devices, robotics, and semiconductors. Section 232 has already been applied to steel, aluminum, cars, and copper, with more sectors under review. Analysts warn these measures will raise costs across industries such as healthcare, construction, and manufacturing, while critics argue the national security justification for products like furniture is legally weak.

The administration defends the policy as a way to strengthen strategic industries and promote domestic production, offering exemptions to companies that build U.S. facilities and encouraging tech firms to source more chips locally. Even if the Supreme Court rules against Trump's use of emergency powers, the Section 232 tariffs would remain in place, giving him a durable legal basis to continue his trade agenda.



Photo: NYTIMES

► Source:
<https://www.nytimes.com/interactive/2025/09/25/business/economy/h1b-visa-fee.html>

► Source:
<https://www.nytimes.com/2025/09/26/us/politics/trump-tariffs-supreme-court.html>



Photo: REUTERS

Global debt hits record of nearly \$338 trillion, says IIF

Global debt reached a record 337.7 trillion dollars at the end of the second quarter of 2025, according to the Institute of International Finance (IIF). This represents an increase of more than 21 trillion dollars in the first half of the year, driven by looser global financial conditions, a weaker U.S. dollar, and more accommodative monetary policies. China, France, the United States, Germany, the United Kingdom, and Japan recorded the largest debt increases, partly due to the dollar's 9.75 percent depreciation since January.

The IIF highlighted that the scale of the rise is comparable to the surge seen during the COVID-19 period in late 2020. While the global debt-to-GDP ratio declined slightly to just above 324 percent, in emerging markets it reached a new record of 242.4 percent. Canada, China, Saudi Arabia, and Poland experienced the sharpest increases in debt ratios, while Ireland, Japan, and Norway saw declines. Total debt in emerging markets grew by 3.4 trillion dollars in the second quarter, surpassing 109 trillion dollars.

Most of the increase came from government borrowing, particularly in G7 economies and China, with G7 ten-year bond yields reaching their highest levels since 2011. Emerging markets face nearly 3.2 trillion dollars in bond and loan redemptions by the end of 2025, raising fiscal risks. In the United States, short-term borrowing now represents around 20 percent of total debt and 80 percent of Treasury issuance, which could increase political pressure on central banks and threaten monetary policy independence.

► Source:

<https://www.reuters.com/world/china/global-debt-hits-record-nearly-338-trillion-says-iif-2025-09-25/>