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AMERICAN CHAMBER OF COMMERCE

# USA OUTLOOK

WEEKLY NEWSLETTER  
JANUARY 26 TO JANUARY 30

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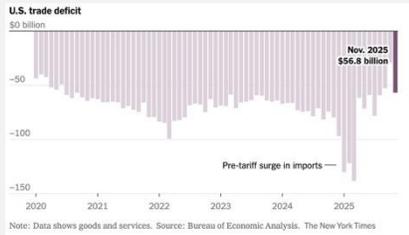


Photo: NY TIMES

## U.S. Trade Deficit Widens Despite Trump's Tariffs

The U.S. trade deficit widened sharply in November 2025, rising to \$56.8 billion as imports rebounded and exports declined, despite President Trump's tariffs. Imports increased 5 percent, driven by pharmaceuticals and data center equipment, while exports fell 3.6 percent, pushing the deficit up nearly 95 percent from October.

Economists say the surge reflects extreme volatility caused by shifting tariff policies rather than a structural change in trade. Earlier declines in the deficit were partly due to temporary factors, such as fluctuations in gold and companies adjusting shipment timing to avoid tariffs.

Overall, trade remains elevated compared with last year, with both imports and exports higher through most of 2025. Analysts warn that continued tariff changes and potential legal challenges could keep trade flows unstable, complicating economic growth forecasts and the administration's goal of sustainably reducing the trade deficit.

Source: <https://www.nytimes.com/2026/01/29/business/us-trade-deficit-tariffs.html>

## U.S. Population Growth Slows Sharply as Immigration Numbers Plunge

New Census Bureau estimates show that U.S. population growth slowed sharply in 2025, rising by about 1.8 million people (0.5%), one of the slowest rates in history. The slowdown was driven by a steep drop in immigration—down more than 50% from 2024 due to President Trump's anti-immigration policies—and a continuing decline in the birthrate.

Immigration still accounted for most population growth, but experts warn that further reductions could weaken economic growth and strain support for an aging population. While some Midwestern and Southern states grew, major states like California saw population declines, highlighting the broad impact of reduced immigration nationwide.



Photo: NYTIMES

Source: <https://www.nytimes.com/2026/01/27/us/politics/cens-us-2025-estimates-population-immigration.html>



Photo: NY TIMES

## ***Fed Keeps Rates Steady***

The Federal Reserve kept interest rates unchanged at 3.5%–3.75% at its first meeting of 2026, despite intense pressure from President Trump to cut borrowing costs further. Fed officials cited solid economic growth, stabilizing unemployment, and still-elevated inflation as reasons to pause after three rate cuts in late 2025.

Two governors dissented, voting for a quarter-point cut, but Chair Jerome Powell emphasized broad support for holding rates steady and said the Fed was well positioned to respond if conditions change. He downplayed the likelihood of a rate hike and signaled that future cuts would depend mainly on a significant weakening of the labor market.

Powell also defended the Fed's independence amid political and legal challenges, stressing that credibility and insulation from political pressure are essential for effective monetary policy. While inflation remains above target, officials expressed optimism that tariff-related price pressures will fade later this year, allowing inflation to cool gradually.

Source: <https://www.nytimes.com/live/2026/01/28/business/federal-reserve-interest-rates>

## ***Trump Picks Kevin Warsh as Next Fed Chair***

President Donald Trump announced the nomination of Kevin M. Warsh as the next chair of the Federal Reserve, replacing Jerome H. Powell when his term ends in May 2026, pending Senate confirmation. Warsh, a former Fed governor, has recently supported lower interest rates in line with Trump's preferences, despite a long record as an inflation hawk favoring higher rates.

The nomination sets up a contentious confirmation process focused on the Fed's independence, as critics argue Warsh was chosen for loyalty to the president. If confirmed, he would lead the Fed at a time of economic uncertainty, persistent inflation, and strong political pressure to cut rates, raising concerns about political influence over U.S. monetary policy.



Photo: NYTIMES

Source: <https://www.nytimes.com/2026/01/30/us/politics/trump-fed-chair-kevin-warsh.html>



Photo: Reuters

## ***Trump Moves to Cut Off All Oil to Cuba as U.S. Takes Aim at Its Government***

In January 2026, President Donald Trump escalated U.S. pressure on Cuba by declaring a national emergency and threatening tariffs on any country that supplies oil to the island. The measure aims to cut off Cuba's remaining fuel sources and further weaken its government.

Cuba is already facing severe oil shortages after Venezuela halted shipments, and Mexico—one of the last countries providing oil as humanitarian aid—stopped deliveries in early January. Mexico warned that U.S. sanctions could trigger a major humanitarian crisis by disrupting essential services and reaffirmed its commitment to sovereignty and international law.

Cuban and Venezuelan officials condemned the policy, while experts warned it could significantly worsen Cuba's economic collapse, marked by blackouts, declining tourism, and fuel scarcity. Critics argue that decades of sanctions have failed to bring regime change and have primarily harmed the Cuban population.

► Source:

<https://www.nytimes.com/2026/01/30/world/americas/trump-oil-cuba-government.html>