GZERO DAILY
by ian bremmer

Presented by: Walmart

Dear Tracy,

This week, I explain **why the transatlantic alliance is no more**, look under the hood of the '**Signal-gate' debacle**, talk to The Economist's **Zanny Minton Beddoes** about **the risks to the global economy**, and answer your questions on **US travel warnings**, **the politics of Israel's war with Hamas**, and **Turkey's democratic backsliding**. Plus, your weekly rec from my dog Moose.

Let's get to it,

- Ian

The end of the transatlantic relationship as we know it



Donald Trump's second term is having considerably more impact on the global stage than his first. Trump may have been a largely transactional president last time around, when he was more constrained at home and faced relatively more powerful counterparts abroad. But the first two months of Trump 2.0 have shattered the illusion of continuity. No American ally faces a ruder awakening than Europe, whose relationship with the United States is now fundamentally damaged.

Core partners in Asia like Japan, South Korea, India, as well as Australia worry about being hit with tariffs and will do what they can to defuse conflict, but they also know their geostrategic position vis-à-vis China means Trump can't afford to alienate them entirely. Accordingly, their relations with Washington should remain comparatively stable over the next four years.

America's largest trade partners, Mexico and Canada, are facing more significant trade pressures from the Trump administration, but the imbalance of power is such that they have no credible strategy to push back. Everyone understands they'll have to accept Trump's terms eventually; the only question is whether capitulation comes before or after a costly fight. Riding an 85% job approval, Mexican President Claudia Sheinbaum has enough domestic political space to yield to Trump's demands to keep Mexico in his good graces, as she is already doing. By contrast, Canadian leaders have a political incentive to put up a bigger fight because Trump's threats toward Canada's economy and sovereignty have sharply inflamed nationalist sentiment north of the border in the run-up to the April 28 elections. However, I expect Ottawa will quietly fold shortly after the vote to ensure that ongoing relations with the US remain functional.

Most US allies have no choice but to absorb Trump's demands and hope for a reset after he's gone. But Europe is different. It possesses both the collective heft to resist Trump's demands and the existential imperative to do so.

Three structural forces render the transatlantic rupture permanent.

First, the European Union has the trade competency and market size to punch back against the Trump administration's aggressive tariff blitz. Unlike most other US trading partners who lack the economic leverage to go toe-to-toe against Washington and have little choice but to fold under pressure, Brussels' defiance ensures a protracted trade war with no easy resolution.

Second, most Europeans view the Trump administration's unilateral pursuit of rapprochement with Russia as a direct threat to their national security. While

President Trump would still like to end the war in Ukraine as he promised on the campaign trail, he is prepared to do so on the Kremlin's terms – and he's even more interested in business deals with Moscow. He won't be deterred by a collapse of the Ukraine peace talks, even though it's Vladimir Putin who's shown no interest in softening his maximalist demands. Nor will Trump care that the Europeans stridently oppose US normalization with their principal enemy. After all, the United States is protected by two oceans from Putin's army, and Trump's embrace of Euroskeptic movements reveals their shared aim: a fragmented and weakened Europe that is easier to dominate.

The president's rhetoric – echoed by the Signal-gate private texts, Special Envoy Steve Witkoff's recent interview with Tucker Carlson, Vice President JD Vance's Munich speech, and so many other pieces of evidence – makes clear that the current administration sees Europeans not as allies but as "pathetic freeloaders" who shouldn't be "bailed out" as a matter of principle. Even if Washington begrudgingly agrees to provide them with transactional security, Europeans now realize that relying on a hostile US for survival is strategic suicide.

Which brings us to the third and final driver of the definitive US-Europe break: common values … or lack thereof. From free trade and collective security to territorial integrity and the rule of law, Europe's foundational principles are now anathema to Trump's America. Just look at Trump's repeated threats to annex Greenland, to say nothing of his willingness to recognize illegally annexed Ukrainian territories as Russian and support Israel's annexation of parts of the West Bank and Gaza. For an EU built from the ashes of World War II, it's hard to compromise with a worldview in which borders are mere suggestions and might makes right.

After years of complacency, European leaders seem to have finally gotten the message that the United States under Trump is not just an unreliable friend but an actively hostile power. They understand they need to drastically increase Europe's sovereign military, technological, and economic capabilities – not just to survive without America but also to defend their borders, economies, and democracies against it. Whether they can muster the political mettle to act on this realization, however, is Europe's greatest test since 1945.

Recent moves – Germany's historic debt brake reform and Brussels' fiscal and financial maneuvers to boost defense spending – hint at urgency. Yet half measures won't suffice. If Europeans refuse to commit troops to guarantee Ukraine's post-ceasefire security absent an American backstop and continue to balk at seizing

Russia’s frozen assets and overriding Hungary’s veto, it will confirm my view that the bloc lacks the nerve to survive in a jungle-ruled world where Trump and Putin refuse to play by any rules.

The irony is that Europe has the resources and capacity to stand up for itself, its values, and its fellow Europeans. What’s missing is the collective courage to act like it’s 1938, not 1998. For Ukraine’s sake and its own, that needs to change.

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Walmart strengthens America’s workforce



Across America, Walmart is supporting communities by working with small businesses, like beyondGREEN, in San Antonio, TX. Since becoming a Walmart supplier in 2023, the Texas-based company built a new factory and hired over 100 employees. Across the country, Walmart’s $350 billion investment in products made,

grown, or assembled in America supports the creation of over 750,000 US jobs. Learn how Walmart’s investment in US manufacturing helps small businesses grow.

Signal-gate is a window into ‘Maximum Trump’ mindset



The leaked Signal group chat about US military strikes on the Houthis has broken the internet and set Washington ablaze. But beneath the operational security breach and sensational mishandling of classified information that have captured most headlines, there’s a far more troubling story about how President Trump’s consolidation of power and hyper-focus on political loyalty are trumping substantive policy debate, truth, and competence in his second term. What happens when advisers are too afraid to challenge their leaders’ perspectives, and how might a lack of good information affect decision-making and global geopolitical outcomes?

Tune into my latest Quick Take and hear why the most concerning takeaway from Signal-gate isn't the leak itself but the dangerous echo chambers forming at the highest echelons of global power.

The three big shocks threatening the world economy



The global economy faces three world-historic shocks this year, The Economist Editor-in-Chief Zanny Minton Beddoes told me on **GZERO World**. "Each of which is big enough for our grandchildren to have a chapter in their history books."

The first shock is geopolitical: The United States, once the architect of the global rules-based order and alliance system, is now actively challenging it. The second is economic: The US has abandoned free trade in favor of higher unilateral tariffs. And the third and perhaps most transformative shock is technological: the rapid rise of artificial intelligence, which is reshaping economies, societies, and geopolitics faster than we can respond.

While she agrees with many of the Trump administration's stated priorities, such as cutting red tape and rationalizing government, Beddoes argues that the combination of these three forces creates massive economic uncertainty with the potential for severe damage. "I just find the view that your gain must be my loss to be fundamentally misguided," she says.

Watch the clip here and catch my full interview with Beddoes in the latest episode of "GZERO World with Ian Bremmer," also airing on your local public television station.

You ask, I answer



This week, you asked:

- Why are some countries issuing travel advisories for visiting the United States?
- How are political tensions in Benjamin Netanyahu's government impacting Israel's war with Hamas?
- Will public outcry over the arrest of Istanbul's mayor lead to major political reforms or shifts within the Turkish government?

Check out my answers to your questions in the latest World in 60 Seconds.

Moose's treat of the week



"Morning After the Revolution: Dispatches from the Wrong Side of History" by journalist Nellie Bowles, once a progressive who was on the ground in Seattle's self-declared autonomous zone when the George Floyd protests broke out. An insightful first-hand look into how so many well-meaning Americans seemingly went mad … and why so many are so angry about it.

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