

## Our View: Trump Puts the Future of Oil and Gas at Risk

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March 31, 2025

Donald Trump wants to make the US “energy dominant.” In February, he signed yet another executive order, this one creating the National Energy Dominance Council and tasking it with driving up already record-setting domestic oil and gas production.

President Trump’s trade actions, however, may have the opposite effect, turning the United States into a third-world nation. Hence, his **gamble** on getting his way risks the future of fossil fuels.

Still, the president is undeterred, declaring that

“April 2nd is going to be liberation day for America. We’ve been ripped off by every country in the world, friend and foe.”

Judging by their behavior, administration officials believe the United States is so essential to the world economy that they can take any economic action they choose without consequences. They see other nations as vassals that will readily bend the knee to their dictates. They think those who export to the US should meekly absorb the tariffs without retaliating.

As an example of such imperial behavior, Trump wants to revive the United States’ moribund shipbuilding industry. To achieve this, he aims to impose port fees on China-built ships that could total as much as \$100 million per visit, according to some experts. If he implements such fees, they could cripple US exports, especially in the agricultural and energy sectors. In anticipation of this, US coal companies are already laying off workers.

No one outside of the president and his cabinet should be surprised, though, when other nations strike back. The United States’ standing in the world economy is much diminished. Today, it is important but no longer essential, and its aggressive trade actions under Trump will push other countries to find or develop alternative markets and providers, just as fifty years ago, a US embargo on soybean exports prompted Japan to help Brazil become the dominant soybean grower and exporter.

Over the next decade, the administration’s current moves to protect US markets will accelerate China’s growing dominance of world trade as that country rushes to fill the economic void created by Donald Trump. China will lead in this by boosting the production and export of renewable energy products. EU members will join in the competition.

Buyers will embrace these products because renewable capital will lessen the need for the natural gas, coal, and oil-fired power sources that energize their economies today. In this way and others, the global drive for energy independence will hasten the transition from hydrocarbons.

What the April 2 “Liberation Day” will do, then, is make the United States a pariah in the eyes of the global economy and incentivize world consumers to shun fossil fuels.