

Vital Briefing—Tariff Insights

Trump announces new Japanese investments in U.S. infrastructure, credits own tariff policy

By [Thomas Thompson](#)

“Japan is now officially, and financially, moving forward with the FIRST set of Investments under its \$550 BILLION Dollar Commitment,” President Trump reported in a Truth Social [post](#) on Tuesday, February 17.

Trump wrote that the investments include funds for three projects: a gas-powered electricity generation plant, a deepwater crude export terminal, and an industrial diamond manufacturing facility.

The combined price tag for the three projects is about \$36 billion.

A fact sheet provided by the U.S. Commerce Department [states](#) the Portsmouth Powered Land Project, at a cost of \$33 billion, will be the “largest natural gas generation project in the world.” The facility is located near Portsmouth in southern Ohio.

“The scale of these projects are so large, and could not be done without one very special word, TARIFFS,” according to Trump. Many of Trump’s tariff deals have included hefty investment requirements for the counterparty.

The Japanese investments follow from the July 22, 2025, trade agreement that committed Japan to investing \$550 billion in the U.S. The U.S. reduced the tariff on Japanese goods to 18 percent from the 24 percent it first imposed in April of that year.

Bloomberg News reported in an article [carried](#) by the Financial Post that the

Ohio power plant will be able to produce 9.2 gigawatts of power, enough to supply about 7.4 million U.S. homes. The local grid operator, PJM Interconnection LLC, told Bloomberg that it had not previously been aware of the power generation project.

The project is to be operated by SB Energy, a subsidiary of Japan’s SoftBank. SoftBank is a multinational investment holding company known primarily for its technology investing.

The deepwater project carries an expected cost of \$2.1 billion. The crude oil export terminal is to be developed off the coast of Texas.

Additionally, in a Commerce Department statement, Secretary Howard Lutnick [said](#) that the U.S. and Japan will create a \$600 million dollar facility in Georgia to provide 100 percent of U.S. demand for industrial grit, a critical input for advanced technical production.

Project outlook. Timelines for completing the projects were included in the Commerce Department’s fact sheet. Details about the level of Japanese participation in any of the development projects, as well as potential ownership and control levels, have not been released.

Providing no more detail than her U.S. counterparts, Japanese Prime Minister Sanae Takaichi welcomed the investments, writing in a post on X, “We believe these initiatives truly embody the purpose

of this Strategic Investment Initiative, namely the promotion of mutual benefit between Japan and the United States, the enhancement of economic security, and the promotion of economic growth.”

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The push for investing in the U.S. comes at a time when the Japanese economy struggled to grow 0.1 percent last quarter and domestic capital expenditures rose only 0.2 percent in the same period.

The Chinese English-language newspaper Global Times [characterized](#) the \$36 billion move as a “political pledge of allegiance.”

The investment commitment was tied to a reduction from 25 percent to 15 percent in the generally applied level of tariffs on Japanese goods shipped to the U.S.

Resistance. India, Brazil and China have survived the U.S.’s tariff policy onslaught with few concessions so far. In a recent article in the Guardian, the Council on Foreign Relations’ director of its Center for Geoeconomic Studies Edward Fishman [wrote](#), “Though their strategies differed, each combined three elements: resolve, resilience and retaliation.”

Fishman's article is meant as a call to action for a Europe that has accepted lopsided trade deals from Trump over the past year.

He reminds the reader that when India's producers were hit with 50 percent tariffs, India's Prime Minister Narendra Modi refused to soften his country's commitment to protecting "the interests of its farmers, livestock rearers and fisherfolk," as he said at the time. His resolve galvanized popular support for Modi in India and, as the Kiel Institute [reported](#) in January, Indian exporters have not cut prices to stay in the U.S. market.

India and the U.S. announced a framework trade deal in early February that reduced the U.S.'s "reciprocal" tariff rate on Indian imports from 25 percent to 18 percent.

Backing down. The Trump administration eliminated its extra 25 percent tariff related to India's breaking of Russian oil sanctions even though the country refuses

to promise to comply. Private-sector Indian oil importers, though, have been reducing their purchases.

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Brazil's trial of its Trump-friendly former president Jair Bolsonaro led Trump to double the tariffs on Brazilian imports. The current government ignored Trump's protests and let the Brazilian legal system send the ex-president to jail. Brazil ended up diverting many of its exports to other countries and the U.S. imported substitute goods from other South American countries.

At the beginning of this year, Trump lowered the Brazilian tariff rate and let

Brazilian coffee, along with some other agricultural products, enter the U.S. duty free. Bolsonaro is serving a life sentence under high security in a São Paulo prison.

China was positioned to retaliate against U.S. actions. In a tit-for-tat tariff war that flared up last spring, nominal tariff levels briefly pushed above 100 percent on each side. Rolling back tariff levels somewhat, the countries agreed to a truce that has mostly held since last May.

When the U.S. started to tamper with China's access to U.S. chip technology during the summer, China retaliated by choking off Western access to its rare-earth mineral refining. At an October meeting with Chinese President Xi Jinping, Trump agreed to loosen restrictions on Chinese tech access and Xi suspended his rare-earth minerals export restrictions. In December, Trump allowed the U.S. company Nvidia to ship previously embargoed products to China.