

Update on Trade and Tariffs

John Kirchner
Executive Director, Midwest Region
U.S. Chamber of Commerce



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International Affairs

Overview of Trump Administration on Trade

- 1) **Sec. 232 tariffs on steel and aluminum**
- 2) **Sec. 232 tariffs on autos, auto parts**
- 3) **Sec. 301 tariffs on Chinese imports**
- 4) **NAFTA → U.S.-Mexico-Canada Agreement**



1) Sec. 232 Tariffs on Steel, Aluminum

- **25% on steel, 10% on aluminum**
 - ✓ Quotas: Korea, Brazil, Argentina; Australia the exception
 - ✓ Mexico? Canada?
- **Steel prices up 50%, Aluminum prices up 130% since 1/1/18**
- **Foreign retaliation on \$150 billion of U.S. exports**



2) Sec. 232 Tariffs on Autos, Auto Parts

- Investigation ongoing, 20%-25% tariff?
- Could cover \$350 billion in trade
 - ✓ *“Every state is an auto state”*
- >620,000 U.S. jobs at risk
- Report due by February 2019



3) Sec. 301 Tariffs on Chinese Imports

- Broad agreement on China challenge
- Broad opposition to tariffs
 - ✓ \$250 billion of imports from China now face tariffs
 - ✓ Tariff increase from 10% to 25% on 1/1/19?
 - ✓ Another \$257 billion on the way in 2019?
 - ✓ Retaliation on \$110 billion of U.S. exports
- A better way? International coalition, WTO actions, new trade pacts (like TPP) in Asia



4) NAFTA Modernization: The Stakes

- ***JOBS:*** 14 million American jobs
- ***MANUFACTURING:*** More U.S.-made manufactured goods than next 10 largest markets combined
- ***AGRICULTURE:*** A bonanza for American farmers and ranchers

NAFTA BENEFITS AMERICANS

finance.senate.gov

JOBS

Trade with Canada and Mexico supports nearly 14 million American jobs¹



Nearly 5 million of these jobs are generated by NAFTA increased trade²

GROWTH

NAFTA boosts annual GDP by up to **.5%** translating to **BILLIONS** in growth each year³

INVESTMENT

Since NAFTA was signed... Canadian investment in the United States is up

\$200 BILLION*

Mexico has made major investments in:



MARKETS

1/3 of U.S. merchandise exports go to Canada and Mexico⁴

Since NAFTA was signed...

U.S. agricultural exports are up **350%**⁵



U.S. service industry exports are up **240%**⁶



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U.S. Mexico Canada Agreement

- **New Auto Rules of Origin**
- **Dairy Access**
- **Dispute Settlement**
- **IP and Digital Commerce**
- **Connection to 232 Investigations**
- **Next steps**



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