

LEGISLATIVE ALERT

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NPCA Opposes Proposed Steel and Aluminum Tariffs

Tariffs of 25% on imported steel and 10% on aluminum would have a serious negative impact on the precast concrete industry, according to Ty Gable, president of the National Precast Concrete Association. President Donald Trump announced he would impose the tariffs to rebuild the steel and aluminum industries in the United States, but the imposition of tariffs will have consequence for manufacturers that rely on steel for their products, Gable said. While details are not yet final, Trump said he would sign the trade measures next week and wanted the tariffs to apply to all countries, according to The New York Times.

“When you impose high tariffs, two major things happen,” Gable said. “The price of domestic steel goes through the roof. Second, there is a capacity problem and manufacturers have difficulty getting their materials on time.”

In 2002, when President George W. Bush imposed tariffs of 30% on steel imports, domestic prices skyrocketed, Gable said. The Consuming Industries Trade Action Coalition (CITAC), reported that prices rose about 40% for steel-consuming industries, but the group also found instances of 90% hikes for smaller orders of some types of steel.

“History is very likely to repeat itself here in dramatic price increases for steel,” Gable said. “This will have a detrimental effect on the construction industry and possibly limit supply at a time when we need it most.” The Bush steel tariffs were intended to last three years, but were pulled after 21 months as the European Union threatened to retaliate with tariffs on a variety of American exports. About 200,000 jobs were lost in steel-consuming industries as a result of the tariff, according to CITAC.

“We encourage the president to reverse course on this as soon as he possibly can,” Gable said. Nearly all our products use steel in one form or another – rebar, wire mesh, steel fibers, lifting devices, covers. We also use a variety of hatches, many of which are aluminum. For industries like ours – and many other steel consumers – this is the wrong move.”

NPCA is part of a coalition of groups that are concerned about the effects of tariffs on steel and aluminum, Gable said. “We will be working with the coalition, following this issue closely and talking with elected officials about the concerns of our member companies.”