

Trump's tariffs would raise prices, hurt exports, experts warn. Here's what they could mean for Ohio

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CLEVELAND, Ohio - Higher prices for homes, cars, groceries and gasoline and diminished markets for agricultural exports like soybeans and corn are in the cards for Ohio if the tariffs that Donald Trump has threatened to impose on Canada, China and Mexico take effect, experts say.

"Since these tariffs are pretty broad based, across the board, that means an increase for consumers buying all sorts of things and an increase on the price, on inputs, that are going into other products as well as these final goods," said Case Western Reserve University economics professor Jonathan Ernest.

Over the weekend, Trump announced plans to implement a 25% tariff on imports from Mexico and Canada, with 10% on Canadian energy, as well as an extra 10% tariff on Chinese products on top of existing tariffs. [Trump said he wants](#) to force those countries to crack down on "the major threat of illegal aliens and deadly drugs killing our Citizens, including fentanyl."

On Monday, Trump paused the tariffs on Mexico as part of a negotiated deal with the country's president to send more Mexican troops to the U.S.-Mexico border. On Monday afternoon, [Canadian Prime Minister Justin Trudeau announced](#) that the proposed tariffs on Canada would be paused for at least 30 days while the two countries work together on border issues.

After a conversation with Trump, Trudeau said Canada is implementing a \$1.3 billion border plan that will reinforce the border "with new choppers, technology and personnel, enhanced coordination with our American partners, and increased resources to stop the flow of fentanyl."

While Ohio gets plenty of produce from Mexico, the effects of the Canadian tariffs could have a particularly strong impact as Canada is [Ohio's largest foreign trading partner](#). Ohio exports \$21.4 billion in goods to Canada each year, and imports

imports \$17.9 billion from Canada, [according to a report from](#) Canada's consul in Detroit.

Canada gets 38.4 percent of Ohio's exports, while U.S. exports to Canada are 17.5 percent of the national total, according to the [Ohio Department of Development](#). Shipments to Mexico, Ohio's second largest market, totaled \$8.3 billion in 2023.

Ohio imports around \$2.9 billion each year in petroleum from Canada, \$1.2 billion in motor vehicle parts, and \$1.1 billion each of plastics and plastic articles, aluminum and aluminum articles, and iron and steel alloys and semi-finished product, the report said. It exports around \$2.0 billion in motor vehicle parts to Canada, \$1.9 billion in engines and turbines, and \$1.5 billion in automobiles.

International trade—exports and imports of goods and services—supports 1.4 million jobs in Ohio, or about 1 in 5 total jobs in the state, the [U.S. Chamber of Commerce says](#).

On social media, Trump warned Americans of potential “pain” brought on by the tariffs. He urged companies to make their products in the United States to avoid the tariffs. He [is also threatening](#) to impose tariffs on the European Union.

“THIS WILL BE THE GOLDEN AGE OF AMERICA!” Trump’s social media post said. “WILL THERE BE SOME PAIN? YES, MAYBE (AND MAYBE NOT!). BUT WE WILL MAKE AMERICA GREAT AGAIN, AND IT WILL ALL BE WORTH THE PRICE THAT MUST BE PAID. WE ARE A COUNTRY THAT IS NOW BEING RUN WITH COMMON SENSE — AND THE RESULTS WILL BE SPECTACULAR!!!”

CWRU [supply chain management professor Michael Goulder](#) says tariffs collected by the government are usually passed along to consumers in the form of higher prices. He says that the supply chain for the automobile industry is “very much split” between the United States, Canada and Mexico, with products from all three countries included in many automobiles.

If the tariffs go into effect, he said a \$1,000 engine block made in Canada that comes into the United States would suddenly become a \$1,250 part, a cost that would likely be passed along to consumers. If a tariff is in place long enough, Goulder said it might make companies look at relocating their facilities where they could make the product less expensively. But that often takes years to do, he said, and tens of millions of dollars.

“There’s this giant game of chicken going on as corporate leaders try to figure out, ‘Is this temporary or is this permanent?’ says Goulder.

[Ohio State University agricultural economist Ian Sheldon](#) says that if the new tariffs go into effect, and Canada, Mexico and China decide to retaliate, it will hurt Ohio exports of products like soybeans, corn, pork and beef. He predicted the state would lose around \$700 million in exports to those countries, roughly half of which would be soybeans -- [Ohio’s most valuable crop](#).

According to the [U.S. Trade Representative](#), Ohio is the country’s 10th largest agricultural exporting state, shipping \$6.1 billion in domestic agricultural exports abroad in 2022.

Even if the tariffs don’t go through, Sheldon said such threats generate enough uncertainty about the United States’ future trade policies that it could encourage countries around the world to find other markets for their products so they don’t have to trade with the United States.

Ohio Business Roundtable President and CEO Patrick Tiberi, a former Republican congressman from the Columbus area, predicted that the tariffs on crude oil from Canada could drive up the cost of roofing materials, asphalt and fuel for heavy machinery as the United States doesn’t make the type of crude oil required to produce them in quantities that meet America’s needs.

Ohio’s refineries “will have no choice,” Tiberi added, but to keep importing Canadian crude at higher prices.

“We believe that the cost will ultimately be passed down to consumers, driving up prices on everything from road construction to home repairs,” he said.

Although the roundtable supports Trump’s agenda for American energy security, Tiberi said this isn’t the way to go about it.

“Ohio businesses need fair and predictable trade policies that allow them to compete globally, not additional burdens that drive up costs and slow economic growth,” Tiberi said. “I urge the administration to reconsider these tariffs before they do more harm to Ohio’s workers, families and economy.”

Ohio Chamber of Commerce President Steve Stivers, who is also a former Republican congressman, divides Trump’s latest tariffs into two categories: China and Mexico/Canada.

“The issues the administration has with China are issues our members have,” Stivers said. “Getting their intellectual property stolen. Violating trade rules by manipulating their currency and dumping goods.”

These aren’t easy issues to resolve.

“Businesses in Ohio have been moving their supply chains away from China over the last four years since COVID,” Stivers said. But some products aren’t practical to onshore.

Stivers hopes the Trump administration will exempt these products like certain personal protective equipment used by hospitals.

As for Canada, Stivers hopes Trump negotiates a delay or ends the tariffs soon. The president paused Mexican tariffs Monday after Mexico President Claudia Sheinbaum agreed to send troops to the border to fight drug trafficking.

“I feel optimistic tariffs can be avoided,” Stivers said. “I’m personally seeing a pattern and hoping that pattern repeats itself.”

Some Republicans, including Vice President JD Vance, have celebrated the deal with Mexico as a victory for the tariff policy.

Vance echoed some of Trump’s sentiments in a [Sunday FoxNews interview](#), saying that Mexico has facilitated the illegal drug and sex trafficking trade for years, and that China has stolen American manufacturing jobs and facilitated fentanyl trafficking to Mexico.

“We are done being taken advantage of and we have a president who looks out for the interest of American citizens,” the Cincinnati Republican told Fox News’ Maria Bartiromo.

Newly-elected U.S. Sen. Bernie Moreno [issued a statement](#) to fully support the tariffs. “Both countries have failed to protect America from drug trafficking and illegal migration,” said the Westlake Republican. “Ohio is open for business and will roll out the red carpet for any company manufacturing in America.”

U.S. Rep. Bob Latta, a Bowling Green Republican, believes tariffs can be a useful tool when used correctly and implemented in a way that do not increase costs on the American people, a spokesman said, pointing to Mexico’s troop deployment agreement as an example of effectiveness.

“President Trump is leveraging America’s economic power to defend our borders from illegal fentanyl and immigration,” said a statement from U.S. Sen. Jon Husted, a Columbus-area Republican. “Given the Mexican president’s quick acquiescence, the strategy has realized an early success.”

A statement from the Ohio Democratic Party described the tariffs as an “inflation bomb” that will drive consumer costs for Ohioans “through the roof,” with increased costs for gasoline, meat, fruit and vegetables.

“Trump keeps coming up with new ways to raise prices for working people in Northeast Ohio,” said a statement from U.S. Rep. Shontel Brown, a Warrensville Heights Democrat. “The new Trump Tax is a raw deal for Ohio workers and businesses and will hike prices for folks at the gas pump and the grocery store.”

Keystate Homes development director Andrew Gotlieb predicted tariffs on Canadian lumber would drive up home prices. Along with U.S. parts of the Pacific Northwest, he said Canada has ideal weather for growing Douglas Fir and other species used for framing houses.

“If you walk my jobs tomorrow, you will not find a piece of lumber that doesn’t have the Canadian maple leaf on it,” Keystate Homes development director Andrew Gotlieb said.

Gotlieb also buys furnace motors and other mechanical components from China.

“Tariffs are going to bring construction costs up. I hate to break it you,” Gotlieb said. “We have a housing market that is very much in demand. It’s been in demand for the last four, five years. You have interest rates not going down and material prices going up. Can you point me to where we are going to make housing more affordable?”

Trump’s imposition of import tariffs will likely prompt retaliatory tariffs from Canada that will increase the cost of American goods shipped across the border, said Kim Kirkendall with International Resource Development in Bath.

The tariffs on Canada also will reduce consumer demand there for U.S. products “because people are angry about the situation,” she said.

And as for any increased tariffs paid in Northeast Ohio on the goods imported from Canada, those will ultimately be passed along to U.S. consumers.

Kirkendall said another important point is that China will benefit from Trump’s actions because the tariffs imposed on China are going from 25% to 35%, a difference

of 10 percentage points, while the tariffs placed on Canada and Mexico are going from zero to 25%.

That means “China is better off under this because the gap between the tariffs on China and the tariffs on Canada and Mexico has shrunk now from 25% percent to 10%,” she said.

It’s unclear how Trump’s tariffs will affect the Port of Cleveland, which isn’t involved in much trade with Canada.

Only a small percentage of the trade that passes through the port is destined for or coming from Canada, said Dave Gutheil, interim president and CEO of the port.

About 5% of the general cargo that moves in and out of the port is rolled steel imported from Algoma Steel of Sault Ste. Marie, Ontario, on the upper Great Lakes.

Gutheil said most of the high-grade steel that enters the United States through Cleveland comes from Europe.

Steel is currently not arriving at the port because of the usual winter stoppage. The product goes into numerous industrial and consumer goods, including auto parts.

Also during the shipping season, dry cement from Canada enters Lake Erie through the Welland Canal, which bypasses, Niagara Falls, and is unloaded in Cleveland.

The cement, which is used in construction and highway projects, is stored at the port in silos and is owned by a port tenant. Gutheil said he has reached out to the supplier to see how that business could be affected.

The largest bulk material that arrives at the Port of Cleveland is iron ore used in the making of steel. It comes from U.S. locations in Minnesota and Michigan, he said.