

Trump is putting a 25% tariff on vehicle imports. How hard will those hit Northeast Ohio?

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CLEVELAND, Ohio - President Donald Trump on Wednesday announced he'll impose 25% tariffs on all vehicles imported to the United States in a move that critics fear could drive up consumer car prices and disrupt U.S. car makers who ship cars and parts across international borders.

In Northeast Ohio, industry experts are assessing the potential consequences for the region's auto sector, and much remains uncertain. How will the tariffs affect employment in an industry that has traditionally been one of the state's economic engines? And how much of the burden will Ohio car buyers shoulder?

Experts told cleveland.com they are skeptical of a major resurgence in Ohio's auto industry employment, particularly in the short-term, and that consumers are likely to bear the brunt of the tariffs.

Auto manufacturing was once a dominant industry in Ohio, but it has fallen off over the last three decades. Still, about 20,000 Ohioans are employed directly in motor vehicle manufacturing, and another 65,000 work building the parts for vehicles, [according to the Bureau of Labor Statistics](#).

That data also doesn't account for downstream employment, such as retail sales of cars and parts.

Jonathan Ernest, an assistant professor of economics at Case Western Reserve University's Weatherhead School of Management, noted that the tariffs are designed to encourage U.S. manufacturing by making foreign imports more expensive.

But he said they may not necessarily lead to more factories or jobs in the Cleveland region. Companies have spent decades making their supply chains more efficient, he said, so even big increases in production are unlikely to generate big employment expansions.

“While this could benefit some domestic manufacturers, it could also drive up costs for companies reliant on foreign-sourced components,” he said.

Another concern is whether automakers will invest in expanding U.S. manufacturing capacity, given the uncertainty surrounding trade policies.

“Companies make strategic decisions for decades in advance. If they believe these tariffs might be rolled back under a future administration, they may be hesitant to build new facilities or make major changes,” Ernest said.

While the United Auto Workers Union enthusiastically predicted the tariffs will lead to more auto worker jobs, U.S. automakers urged that they be implemented in a way that preserves the industry’s competitiveness and avoids raising car prices.

“To be clear, this will affect the price of parts in Tesla cars that come from other countries,” [said a statement that Tesla CEO Elon Musk posted on social media](#). “The cost impact is not trivial.”

Although Musk is leading Trump’s [Department of Government Efficiency \(DOGE\)](#) cost-cutting efforts, Trump told reporters he did not consult Musk on the tariffs “because he might have a conflict.”

Trump said the tariffs that will go into effect on April 3 will protect the U.S. auto industry, return more automaking jobs to the United States, and bring in more than \$100 billion each year in tariff revenues.

“It’s about making America great again, making it strong and prosperous again,” Trump said as he signed the tariff proclamation in the White House Oval Office.

The White House said the 25% tariff will be applied to imported passenger vehicles (sedans, SUVs, crossovers, minivans, cargo vans) and light trucks, as well as key automobile parts (engines, transmissions, powertrain parts, and electrical components), with processes to expand tariffs on additional parts if necessary.

The 25% tariff will only apply to the value of the non-U.S. content for automobiles imported under the United States-Mexico-Canada Agreement, a trade deal Trump negotiated in his first term.

In justifying the tariffs, the White House noted that half of the approximately 16 million cars, SUVs and light trucks that Americans bought in 2024 were imports. It said the U.S. trade deficit in automobile parts reached \$93.5 billion that year.

“This isn’t complicated — any car sold in America needs to be MADE in America,” U.S. Sen. Bernie Moreno, a Westlake Republican who made his fortune selling luxury foreign cars, [posted on social media](#).

In an interview, Moreno predicted the tariffs won’t have much effect on prices. He said auto companies raised their prices when demand was high during the coronavirus pandemic and never adjusted them down, so there’s plenty of room for them to leave prices the same. He also predicted car companies affected by the tariffs would be unlikely to raise prices for fear of losing market share to their competition. Even if he were still selling cars, he said he’d back the tariffs.

He anticipates the tariffs will incentivize car companies with Ohio plants to add shifts if they’re not operating at full capacity and said it could be done quickly.

U.S. Rep. Marcy Kaptur, a Toledo Democrat, said Trump and Congress need to work together on a new policy that curbs the effects of a tax that “accelerated foreign imports into the US for decades, eroding American production.”

“We must do more to address the US manufacturing and technology job washout in the automotive and transportation industries. This will require a lot more than a 25% tariff on automotive imports. We must reinvest in American manufacturing and the working-class communities across our country that have been hollowed out due to broken trade deals and the burden of outsourcing,” she said in a prepared statement.

U.S. Rep. Emilia Sykes, an Akron Democrat, said tariffs can be a useful tool to level the playing field with countries who pay subpar wages, don’t adhere to safe working conditions, or who artificially flood markets with low quality products.

“Tariffs also help spur American manufacturing – but the on again, off again strategy we’ve seen from the administration does not help us save money or bring jobs back to America,” she continued.

Ernest said the tariffs are likely to reverberate for consumers in the Cleveland area who likely will see higher vehicle prices.

Lou Vitantonio, president of the Greater Cleveland Auto Dealers’ Association, said price increases could start to hit in about three months, once existing inventory sells out at Northern Ohio’s 285-plus dealerships. If it’s more expensive to produce vehicles, he said, consumers will be the ones who face a “tougher burden.”

Economist Ryan Young of the Competitive Enterprise Institute, a non-profit libertarian think tank, agrees. He said the tariffs will likely make consumers pay thousands more for a new car, and put a dent in sales.

Families with aging cars will hope their cars can last a little longer or look to the used market - which is about to have its own price hikes as demand rises for used cars, Young predicted. And those that do buy cars will have to spend less on other things.

“The \$3,000 extra they spend on a car could have gone instead to home improvement, the kids’ college fund, date nights, starting a business, or anything else. All these spread-out effects will be hard to trace back to auto tariffs, but they will still cause pain,” he said.

He noted that Ford, which has several Ohio factories, [already has warned of layoffs over other tariff policies](#), and Young said other automakers “have been less vocal but face the same pressure.”

Trump’s announcement displeased U.S. trading partners, including the European Union and Canada. Canadian Prime Minister Mark Carney [called them](#) a “direct attack” on his country, while European Union president Ursula von der Leyen [issued a statement](#) that described the tariffs as “bad for businesses, worse for consumers equally in the US and the European Union.”

A statement from the American Automotive Policy Council, a Washington, D.C. trade association that represents Ford Motor Company, General Motors Company and Stellantis, said U.S. automakers will keep working with Trump to increase auto production and jobs in the United States.

A statement from the United Auto Workers union said the tariffs could bring back thousands of good-paying blue collar auto jobs to working-class communities across the United State simply by adding additional shifts or lines in a number of underutilized auto plants.

It said thousands of autoworkers are laid off at Ford, General Motors, and Stellantis following recent decisions by auto executives to ship jobs to Mexico. In Ohio, [BLS data shows](#) that auto manufacturing jobs peaked in 1995 at around 41,000. Today, the state has about half that number of jobs.

“We applaud the Trump administration for stepping up to end the free trade disaster that has devastated working class communities for decades,” said the statement from UAW President Shawn Fain. “Ending the race to the bottom in the auto industry

starts with fixing our broken trade deals, and the Trump administration has made history with today's actions."

The European Automobile Manufacturers Association urged Trump to reconsider the negative impact of tariffs not only on global auto makers but on US domestic manufacturing as well. It said European automakers have been investing in the U.S. for decades, creating jobs, fostering economic growth in local communities, and generating massive tax revenue for the U.S. government.

A statement from the organization's Director General Sigrid de Vries said European car makers export between 50% and 60% of the vehicles they make in the US, making a substantial positive contribution to the US trade balance.

[A social media statement](#) from Council on Foreign Relations Economist Brad W. Setzer said Americans producing parts for cars assembled in Canada and Mexico will be negatively affected by the tariffs.

"There is a risk (a real risk) I think that US auto buyers go on strike and just don't buy any cars for a while," Setzer wrote. "Over time, firms will have to move final assembly to the US -- but in the interim, the US market will be under supplied absent (expensive) imports and Americans may simply try to wait it out."

Marissa Webb, a commercial manager at a local Advance Auto Parts, said she is concerned about how the tariffs will affect her customers.

"We get our parts from all over ... if certain countries decide they don't want to trade with us because of tariffs, that will limit what we can provide parts-wise for customers," she said.