[Higher Tariffs on Steel and Aluminum Imports Go Into Effect]

The president has ratcheted up the rate on foreign metals to 50 percent, double the previous rate, saying the levies weren't high enough to help the U.S. industry.

By **Ana Swanson and Ian Austen**
New York Times

U.S. tariffs on steel and aluminum imports doubled on Wednesday, as President Trump continued to ratchet up levies on foreign metals that he claims will help revitalize American steel mills and aluminum smelters.

The White House called the increased tariffs, which rose to 50 percent from 25 percent just after midnight Eastern time, a matter of addressing "trade practices that undermine national security." They were announced during Mr. Trump's [visit to a U.S. Steel mill] last week, and appear to be aimed at currying favor with steelworkers and the steel industry, including those in swing states like Pennsylvania, where U.S. Steel is based.

The higher levies have already rankled close allies that sell metal to the United States, including Canada and Europe. They have also sent alarms to automakers, plane manufacturers, home builders, oil drillers and other companies that rely on buying metals.

In an executive order, Mr. Trump said the higher tariffs would "more effectively counter foreign countries that continue to offload low-priced, excess steel and aluminum in the United States market and thereby undercut the competitiveness of the United States steel and aluminum industries."

Kevin Dempsey, the president of the American Iron and Steel Institute, an industry group, praised the move. He said China and other countries oversupplied the international market, making it harder for U.S. producers to compete.

"Given these challenging international conditions that show no signs of improvement, this tariff action will help prevent new surges in imports that would injure American steel producers and their workers," Mr. Dempsey said.

But companies that use steel and aluminum to make their products criticized the tariffs, saying they would add costs for American consumers.

Robert Budway, the president of the Can Manufacturers Institute, said doubling the steel tariff would further increase the cost of canned goods at the grocery store.

“This cost is levied upon millions of American families relying on canned foods picked and packed by U.S. farmers and can makers,” he said.

Wednesday’s increase is the latest in a mounting array of import taxes that Mr. Trump has announced since returning to the Oval Office in January, including the 25 percent tariff on steel and aluminum in March. Taken together, the president’s trade tactics have increased concerns of a global downturn and heightened corporate America’s worries about the cost of doing business.

Economists have pointed out that tariffs on factory inputs such as metals risk slowing U.S. manufacturing, since they raise prices for factories. By adding to the cost of making cars, drilling for oil and building data centers, higher steel tariffs could slow other goals of the Trump administration.

An economic analysis published by the U.S. International Trade Commission, an independent, bipartisan government agency, suggested that while the steel and aluminum tariffs levied in Mr. Trump’s first term helped American steel and aluminum producers, they hurt the broader economy by raising prices for many other industries, including automaking.

U.S. unions and major companies like Cleveland-Cliffs and U.S. Steel, which have significant lobbying networks, have argued that tariffs are necessary to keep them in business. After struggling financially for years, U.S. Steel agreed in late 2023 to be acquired by Nippon Steel of Japan, though Mr. Trump will make the final call on whether the merger can go through.

Foreign governments have bristled at the idea that their steel exports are a national security threat to the United States, in part because American demand for the metals far exceeds the country’s current ability to produce them.

The United States imports very little steel directly from China because of the tariffs that were previously in place. But the U.S. steel industry argues that China’s massive steel production pushes down the price of metal globally, making it harder for U.S. mills to compete.

Canada is the largest foreign supplier of both steel and aluminum to the United States. Mexico, Brazil, South Korea and Germany are also major suppliers of steel, while the United Arab Emirates, China and South Korea supply the United States with small amounts of aluminum.

Catherine Cobden, the president of the Canadian Steel Producers Association, a trade group, said doubling the tariff on imported steel “essentially closes the U.S. market to our domestic industry.”

The previous 25 percent tariff on steel already had an effect on Canada’s producers. The steel association estimates that since the tariff went into effect in March, steel shipments to the United States from Canada have fallen 30 percent.

“Steel tariffs at this level will create mass disruption and negative consequences across our highly integrated steel supply chains and customers on both sides of the border,” Ms. Cobden said.

The Aluminium Association of Canada said in a statement on Tuesday that the expanded tariff “makes Canadian exports to the U.S. economically unviable” and that “the industry may be forced to diversify trade toward the European Union.”

Electricity accounts for about 40 percent of the cost of smelting aluminum, and the trade group estimated that replacing Canadian aluminum with American production would require the expansion of U.S. power generation equivalent to four Hoover Dams.

“The Canadian industry supports the U.S. goal of increasing domestic aluminum production capacity from 50 percent to 80 percent,” the group said. “Punitive tariffs do not create the certainty needed for long-term, capital-intensive investments. Even with higher domestic output, the U.S. will continue to rely on substantial aluminum imports.

Industry analysts have said the U.S. tariffs so far have not significantly curbed shipments from Canadian aluminum mills. The U.S. aluminum industry is too small to significantly replace imports from Canada without expansion and investment.

Century Aluminum, a U.S. aluminum maker, said last year that it would build the first new aluminum smelter in the United States in half a century, doubling domestic production. But the United States would remain dependent on imports for most of its aluminum.