Press Release

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Section 232 Steel Restrictions Adversely Affect U.S. Manufacturing and Agriculture Exports

DELAWARE RIVER PORTS – A study released on Tuesday by the American Institute for International Steel captured the economic benefits of steel imports and the likely negative consequences that would accompany the imposition of unnecessary Section 232 trade restrictions.

The Trump administration issued an executive order last April urging U.S. Secretary of Commerce Wilbur Ross to investigate steel imports under Section 232 of the Trade Expansion Act of 1962. Specifically, Trump called for an investigation into how purchasing steel from other nations threatens U.S. national security.

The study, dated September 1 and titled "The 2016 National Economic Impact of Imported Iron and Steel Products on the U.S. Marine Transportation System and the U.S. Economy," was prepared for AIIS by consulting firm Martin Associates and released at an AIIS press conference at the National Press Club in Washington, D.C. on September 12.

The report states that in 2016, 34.4 million tons of iron and steel products valued at $35.4 billion were imported into the nation's seaports and responsible for 1.3 million jobs and nearly $240 billion of total economic activity, or 1.3% of the total U.S. GDP. Additionally, $62.7 billion in personal income and local consumption, and $19.4 billion in federal, state, and local taxes are also direct results of this commodity.

"The effect of 232 restrictions on our port would be dramatic," stated Dennis Rochford, President, Maritime Exchange for the Delaware River and Bay. "Shipments of steel are now the fourth largest commodity arriving at Delaware River ports. An estimated one-third or more labor hours in this region are directly related to the unloading of steel ships. Ship agents, brokers, pilots, tugboat operators, warehouses, truckers and myriad others would experience an equal and adverse impact by these restrictions."

These import restrictions would adversely impact both the availability and price of raw steel to downstream manufacturing industries, which in any number of cases, could force these companies to manufacture their products offshore.

In addition to the adverse impact on the manufacturing sector of our economy, the imposition of Section 232 tariffs and quotas would endanger our nation's agricultural exports. Trade retaliation against U.S. farm exports would be swift and certain with our trading partners throughout the world. This would affect farm interest in every state.

"A national security review to impose tariffs on foreign made steel products is a mistake," according to Rochford. "This action's adverse ramifications go far beyond the maritime industry, will cost jobs in the U.S. agricultural sector, and position that industry as targets for retaliation from affected trading partners."

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