



Press Release

The Anticompetitive Effects of Tariffs

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President Trump has advanced his economic agenda by, on the one hand, directing agencies to reduce anticompetitive regulations and, on the other, imposing broad tariffs – yet these policy initiatives are largely in conflict. In a new insight, Director of Competition Policy Fred Ashton and Trade Policy Analyst Jacob Jensen discuss how the administration’s trade agenda works against its deregulatory agenda.

Ashton and Jensen conclude:

President Donald Trump’s agenda to reduce anticompetitive regulations largely conflicts with his imposition of tariffs and directly contradicts many of the directives of his EO. Tariffs are taxes that would likely raise the price of inputs to production or final goods and are borne by the consumer. Moreover, the exemption process could lead to a game of regulatory capture wherein firms can lobby the federal government – depending on their position in the supply chain, either for exemptions or the implementation of tariffs – that would give them a competitive advantage over their competition.

Ultimately, tariffs threaten to foil the benefits of deregulation while entrenching the market position of existing dominant firms.

[Read the analysis.](#)