Press Release

Do Tariffs Impact Prices? The Case of Aluminum

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The Trump Administration has argued that China and other nations pay for the administration’s tariffs indirectly. In a new study, AAF President Douglas Holtz-Eakin and Director of Trade and Immigration Policy Jacqueline Varas explore whether the president’s tariffs translate into price increases in the United States, using aluminum – which received some of the first tariffs implemented by the administration – as a case study. They conclude that aluminum prices increased after each of the president’s major tariff announcements, and these jumps are far larger than typical price fluctuations.

See related story in Axios, “Americans pay the full cost for aluminum tariffs.”

Their central points:

- The Trump Administration has imposed new tariffs on over $300 billion of U.S. imports;
- This study analyzes how aluminum prices changed immediately after key announcements of the president’s tariffs between December 2017 through August 2018; and
- The data indicate that the tariffs translate into price increases almost immediately in the United States.

Read the research.