



Research

The Total Cost of Trump's New Tariffs

JACQUELINE VARAS | SEPTEMBER 20, 2018

**This analysis has been updated to reflect the Trump Administration's final list of products affected by the first, second, and third rounds of Section 301 tariffs.*

Since the beginning of 2018, President Trump has imposed significant new tariffs on U.S. imports. In addition to the tariffs already in force, and the tariffs announced but not yet in effect, the president has also made sweeping tariff threats against trading partners such as China and the European Union (EU). Previous American Action Forum (AAF) analyses examined how new tariffs on [China](#), [Canada](#), [Mexico](#), [the EU](#), and [others](#) will increase costs for U.S. consumers. This analysis compiles these estimates, with updated figures, to determine what overall impact these tariffs might have on prices of goods in the United States.

This analysis focuses exclusively on tariffs that have either been enacted or officially ordered under [Section 232](#) or [Section 301](#). Section 232 allows the president to impose trade barriers if the Department of Commerce finds that imports threaten U.S. national security, and Section 301 enables the president to impose tariffs or quotas when the U.S. Trade Representative finds that other nations are engaging in unfair trade practices.

The table below lists the approximate value of imports that are either currently facing or will face new tariffs under President Trump. An Excel file detailing the tariffs and the products they affect can be found [here](#). Table 1 additionally displays estimates of how the tariffs could increase nationwide consumer costs.

Table 1: The Total Cost of New Tariffs by the Trump Administration

Tariff	Value of Affected Imports (Billions)	Tariff Rate	Additional Cost Burden (Billions)
Section 232, Steel	\$23.4	25%	\$5.8
Section 232, Aluminum	\$16.6	10%	\$1.7
Section 301, Pt 1	\$32.3	25%	\$8.1
Section 301, Pt 2	\$13.7	25%	\$3.4
Section 301, Pt 3	\$159.3	25%	\$39.3

Total	\$245.3		\$58.8
-------	---------	--	--------

Data for this analysis were taken from the [U.S. Census Bureau](#) and the [International Trade Commission](#), both of which compile import level data for most of the products identified by the Trump Administration's tariff lists. Altogether, the president's proposed tariffs could increase nationwide consumer costs by nearly \$60 billion annually. This estimate is an upper-bound that assumes 100 percent of the tariffs will be passed on to consumers and that current import levels will not change. Import data is not available, however, for a number of products targeted by the Trump Administration.^[i] Therefore, this analysis is an underestimate of the total upward pressure the tariffs will place on consumer prices.

Thus far, the president has imposed worldwide tariffs on both steel and aluminum under Section 232 (with quota agreements with Australia, Argentina, South Korea, and Brazil) and ordered tariffs on roughly \$250 billion of imports from China under Section 301. Of the \$250 billion, tariffs are currently levied on approximately \$50 billion. New 10 percent tariffs on approximately \$200 billion of imports from China will go into effect on September 24, 2018, and this rate will increase to 25 percent on January 1, 2019 (an increase reflected in the cost estimate above). Additionally, President Trump has threatened to impose tariffs on all \$500 billion of imports from China and launched an investigation into the national security threat of imported [automobiles and auto parts](#). Tariffs on these products would place even more upward pressure on prices, raising costs for consumers further and making it more expensive to produce goods in the United States.

^[i] For instance, for the latest round of tariffs on \$200 billion of Chinese goods, data is only available for \$160 billion of imports. This can either be because the United States did not import the product in 2017 or data is simply unavailable.