



Donald Trump wants to bring the steel industry back to America

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China has claimed that the United States already has excessive protections on domestic iron and steel products and that it reserves the right to retaliate, according to Bloomberg. Under Article 5 of the NATO treaty, members of the alliance pledge to defend any ally that comes under attack.

It also led to retaliation from multiple nations and the EU. The administration has since suggested it could stay in the pact if the U.S. is treated more fairly.

"It would be an action that no country has crossed since World War II, opening the way to a trade war", a Nomura analyst said. While environment protections aren't enshrined objectives for European Union members, they are an "integral" aspect of the bloc's trading relationships, he said.

A ideal example of a potential policy that would adversely affect American energy companies is the recent recommendation from the Department of Commerce to impose significant tariffs on imported steel and aluminum. President Trump has not made a final decision, but must make up his mind on steel and aluminum imports by April 11th and April 19th, respectively.

The European Union shares USA concerns over China's excess capacity of steel production and is trying to increase pressure through discussions in a global forum, though progress has been slow, said O'Sullivan. The new company is among some signs of life in the Ohio Valley's steel and aluminum industries after years of decline.

U.S. Defense Secretary James Mattis is urging for targeted rather than global tariffs on steel and aluminum.

Machnig said the Europeans thought the idea that such import restrictions could be justified by to risks to national security was "absurd".

For that reason, Trump will probably take a more moderate course, such as imposing penalties on dumping, says Dan Ikenson, director of the Cato Institute's Herbert A. Stiefel Center for Trade Policy Studies.

It's fantastic how much the fortunes of the US energy market have changed just over the last few years.

Other options include a 53 percent tariff on steel imports from Brazil, China, Costa Rica, Egypt, India, Malaysia, South Korea, Russia, South Africa, Thailand, Turkey and Vietnam. The high quantity of cheap steel imports depresses the price for steel in the United States, and as a result many US steel and aluminum plants are struggling to compete in what is now an oversaturated market.

In the short term, Liu He, a senior Chinese economic adviser who is close to Chinese President Xi Jinping, is expected to meet with senior administration officials to discuss trade disputes. He said the sort of tariffs the Trump administration is considering would help make global trade more fair. Negotiators will need to review whether Europe and the US still share the same vision for the pact to reduce tariffs and streamline regulations, and if there's enough common ground on thorny issues like government procurement. The "worst thing" would be to restart talks for them to fail a few months later and become a "negative story", he said.