

Biden seeks higher tariffs on Chinese steel as he courts union voters

Press Trust of India
Scranton (US)

US President Joe Biden is calling for a tripling of tariffs on steel from China to protect American producers from a flood of cheap imports, an announcement he planned to roll out on Wednesday in an address to steelworkers in the battleground State of Pennsylvania.

The move reflects the intersection of Biden's international trade policy with his efforts to court voters in a State that is likely to play a pivotal role in deciding November's election.

TRIPLING TARIFFS

In addition to boosting steel tariffs, Biden also will seek to

triple levies on Chinese aluminium. The current rate is 7.5 per cent for both metals. The administration has also promised to pursue anti-dumping investigations against countries and importers that try to saturate existing markets with Chinese steel, and said it was working with Mexico to ensure that Chinese companies can't circumvent the tariffs by shipping steel there for subsequent export to the US.

"The President understands we must invest in American manufacturing. But we also have to protect those investments and those workers from unfair exports associated with China's industrial overcapacity," White House National Economic Adviser Lael Brainard said on a call



US President Joe Biden speaks at a campaign at the Scranton Cultural Centre BLOOMBERG

with reporters. Biden was set to announce that he is asking the US Trade Representative to consider tripling the tariffs during a visit to United Steelworkers union headquarters in Pittsburgh. The president is on a three-day Pennsylvania swing that began in Scranton

on Tuesday and will include a visit to Philadelphia on Thursday.

The administration says China is distorting markets and eroding competition by unfairly flooding the market with below-market-cost steel.

"China's policy-driven overcapacity poses a serious risk to the future of the American steel and aluminium industry," Brainard said. Referencing China's economic downturn, she added that Beijing "cannot export its way to recovery".

"China is simply too big to play by its own rules," Brainard said. Higher tariffs can carry major economic risks. Steel and aluminium could become more expensive, possibly increasing the costs of cars, construction

materials and other key goods for US consumers.

ECHOING TRUMP

Inflation has already been a drag on Biden's political fortunes, and his turn toward protectionism echoes the playbook of his predecessor and opponent in this fall's election, Donald Trump.

The former president imposed broader tariffs on Chinese goods during his administration, and has threatened to increase levies on Chinese goods unless they trade on his preferred terms as he campaigns for a second term. An outside analysis by the consultancy Oxford Economics has suggested that implementing the tariffs Trump has proposed could hurt the overall US economy.