

# THE EFFECTS OF TRUMP'S TARIFFS ON THE STEEL INDUSTRY IN JAPAN AND THE U.S.

## トランプ関税と日米鉄鋼産業

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### RESEARCH QUESTION

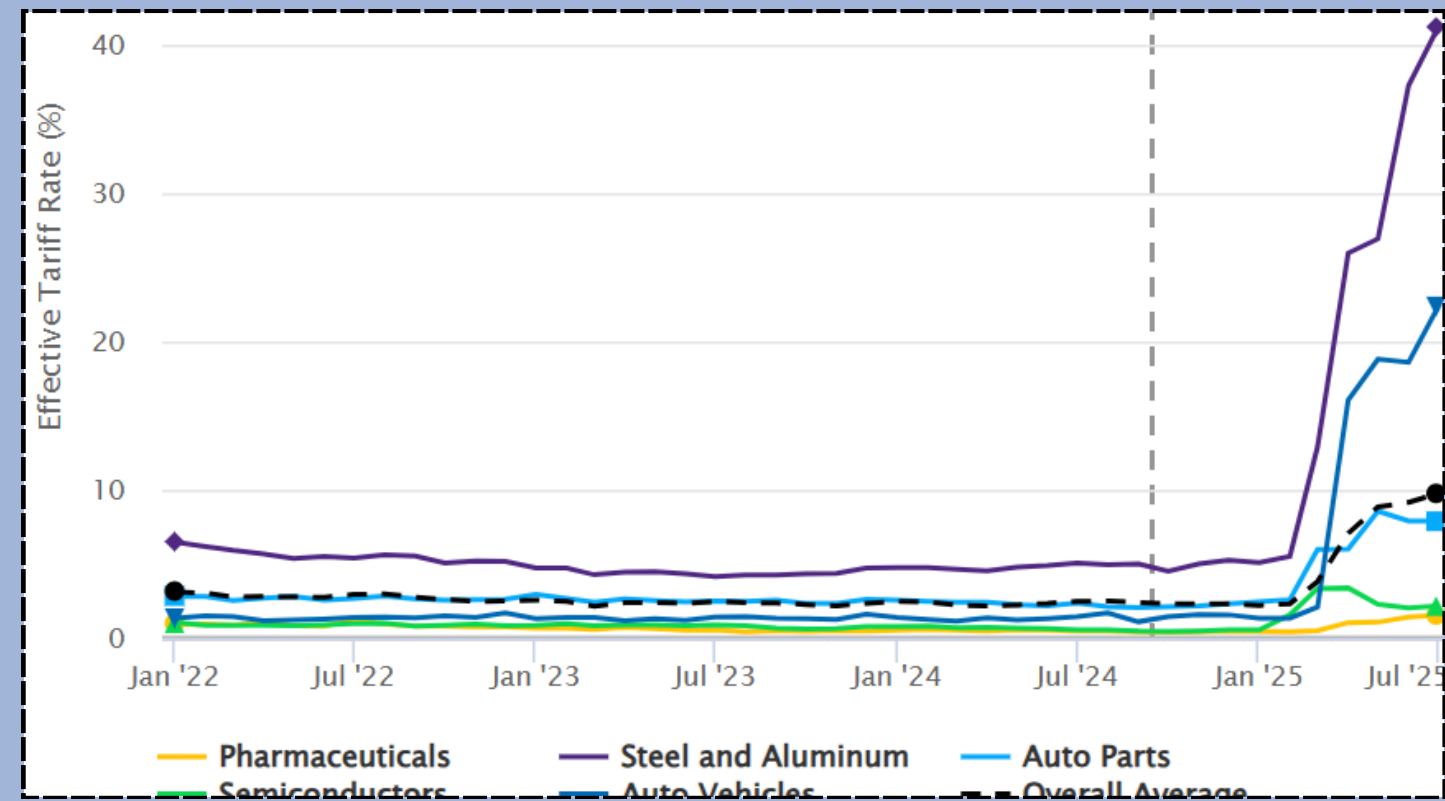
HOW HAVE PROTECTIONIST ECONOMIC POLICIES AFFECTED US AND JAPANESE STEEL INDUSTRIES DURING THE SECOND TRUMP ADMINISTRATION?

### INTRODUCTION

The second-term tariffs aimed to revitalize and reinforce the US domestic industry by shifting their scope from primarily targeting China to encompassing all countries. This is a typical form of protectionism policy.

Steel: 25% to 50%, Aluminum: 10% to 50% (2018 to 2025)

Universal reciprocal Tariffs



Effective Tariff Rates on Key Product Categories

### LITERATURE REVIEW

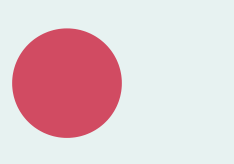
#### PROTECTIONISM:

- Politically-motivated economic policy that drives out foreign competition in exchange for political benefits (Johnson, p. 258)
- U.S. steel plants are located in key electoral districts, making promises of protectionism favorable among voters (Klomp, p. 4)

#### PREVIOUS TARIFF POLICIES AND RESPONSES:

- Benefits of marginal job creation counteracted by the COVID-19 Pandemic and uncompetitiveness of U.S. steel firms in international markets (Russ and Cox, 2020; Klein and Meissner, 2025)
- Japanese steel companies shifted to Southeast Asia as an export destination, while the Japanese government leveraged its position in OECD and the WTO to address tariff implementation in multilateral engagements (Iida, p. 94)

## THE SECOND TERM TRUMP TARIFFS IMPACTS ON US AND JAPANESE STEEL INDUSTRIES



### JAPAN

50% tariffs on steel result in losses in export quantity, projected drop in global production ranking, and indirect adverse effects on overseas production sites. Dumping by Chinese industries and projected anti-dumping duties from the U.S. may result in trade depression for Japanese steel producers. Japanese industries have responded by diversifying export markets and maintaining unit price in yen-terms. diplomatic responses include increasing investment, imports, and technology sharing.

Figure 2

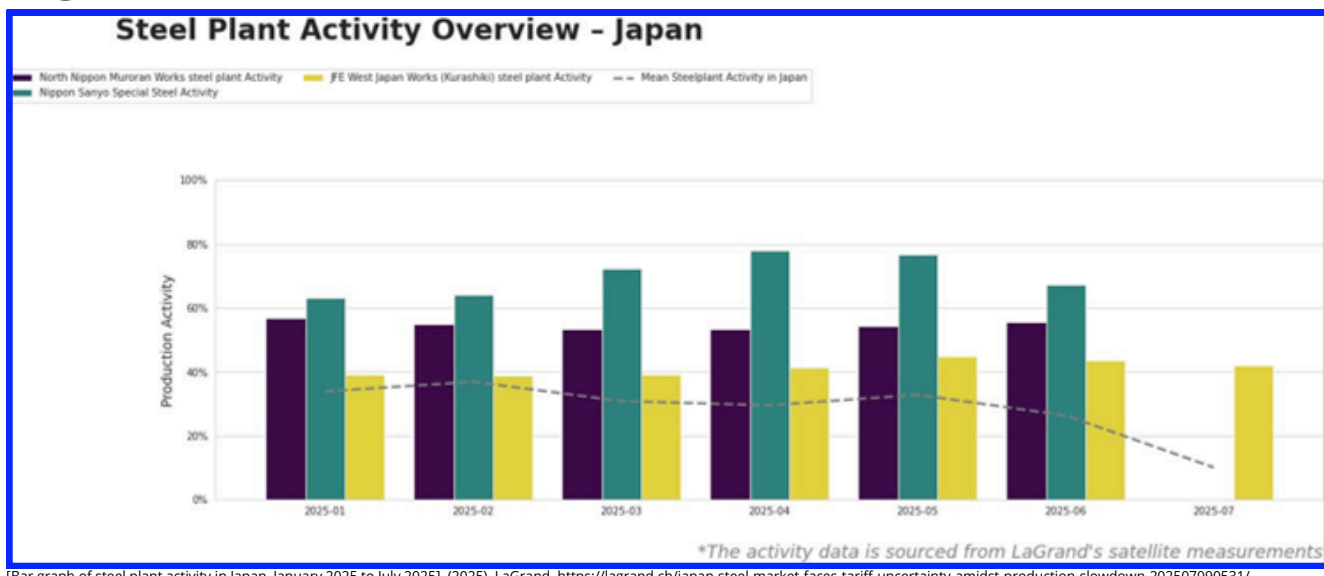
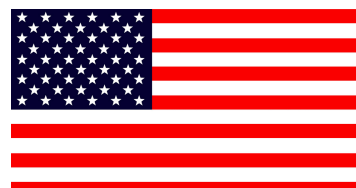


Figure 3



### UNITED STATES

Due to all major trading partners being affected by an expanded tariff policy, the price of steel has increased significantly compared to pre-2025 prices. Steel-derivate industries in the United States have also been impacted, as the further 50% tariff increase on derivative exports compounded with the rising steel prices have forced U.S. companies to seek alternative importing partners. Furthermore, rather than reshoring jobs back into the American labor market, U.S. steel companies have been reshoring low and medium-skill jobs to other international labor markets as a cost-cutting measure.



Figure 3  
Price Index of steel in 2025, measured in USD per ton (TradingEconomics, 2025)

Commodity	Section 232 Tariff	Affected Countries	Exceptions
Steel and its derivatives	50%	All	UK: 25% rate pending reevaluation in July 2025
Aluminum and its derivatives	50%	All	UK: 25% rate pending reevaluation in July 2025
Automobiles	25%	All	UK: Only subject to 10% flat rate
Auto Parts	25%	All	None

Figure 4  
Overview of Section 232 Tariff implementation, rates, and exceptions (Weaver, 2025)

### CONCLUSION

In conclusion, the second Trump Administration's use of protectionist economics has immediately led to price hikes in steel and strained the costs of production for steel-derivates. As a result, U.S. corporations have sought alternative labor and import markets, while Japanese steel producers have sought other export markets and maintaining the Yen as the central unit-price for their steel market.

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