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In Defense of the Trump Trade Policy

For the first time, a president challenged China's unfair practices.

Sept. 20, 2023 12:17 pm ET

Following years of repeated surges in steel imports driven by global excess capacity, the steel tariffs reduced the share of the U.S. market taken by imports. Steel import penetration dropped from 27% in 2017 to 19% in 2019. Concurrently, U.S. steel industry capacity utilization increased from 74% to 80%. Steel employment also increased by 6% in the two years after the tariffs were imposed, compared with a 7% decline in the two years prior.

The tariff program led to new growth, with investments of nearly $24.1 billion in new, expanded or restarted production. Many of the investments are focused on lower greenhouse gas-emitting steelmaking processes. The U.S. steel industry has the lowest carbon-dioxide emissions intensity among the largest steel-producing nations, and steel is an essential material for the clean-energy technologies we need, including wind, solar, nuclear, hydrogen, carbon capture and electric vehicles.

The global steel overcapacity crisis continues to plague steelmakers, with excess steel capacity estimated at 632 million metric tons—more than seven times total steel production in the U.S. This creates a continuing threat of new surges in imports that would undermine our industry at a time when we are supplying products to rebuild our critical national infrastructure and expand clean-energy production.

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