



Press Release

The Impact of Auto Tariffs

ALLISON EDWARDS | NOVEMBER 18, 2019

Last week marked President Trump's own deadline to decide whether to impose new tariffs on automobile imports. While no official announcement was made, the president is widely expected to delay the tariffs for a second time. In a new analysis, AAF's Director of Immigration and Trade Policy Jacqueline Varas examines the rationale for the tariffs and the potential impact they would have on the U.S. economy, if imposed. While the tariffs could benefit some particular industries, they would hurt the economy overall by raising prices and decreasing investment opportunities, she argues.

An excerpt:

If the president decides to move forward with the auto tariffs, consumer costs would increase even more. The tariffs would raise prices in two ways: Tariffs on autos would hurt consumers by raising the price tag of imported vehicles, while tariffs on auto parts would raise costs for U.S. automakers that utilize auto imports in production. Furthermore, the tariffs would hurt domestic automakers by reducing their cash on hand for investment in new factories or workers. This reduction, in turn, would slow economic growth – just like the president's previous tariffs on China and others.

[Read the analysis.](#)