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What's Inside:
- Economic News
- Key Economic Indicators
- Industry
- Trade

May 2024

# Economic News

## Employers Added 175,000 Jobs in April, Unemployment Is 3.9%

U.S. payroll growth slowed substantially in April as employers added 175,000 jobs amid high interest rates and stubborn inflation, while average pay increases fell to a three-year low.

The unemployment rate rose from 3.8% to 3.9%, the Labor Department said on May 3.

Economists had estimated that 250,000 jobs were added last month, according to a Bloomberg survey.

Employment gains for February and March were revised down by a total 22,000. And while job creation in April was still solid by historical standards, the report portrays a broadly cooling labor market that should be welcomed by a Federal Reserve seeking to curtail high inflation. The economy added a monthly average of 269,000 jobs the previous three months and 251,000 in 2023. Full Story
***Source: USA TODAY, 05.03.2024***

## Fed Holds Rates Steady, 'Lack of Further Progress' on Inflation

The U.S. Federal Reserve held interest rates steady on May 1 and signaled it is still leaning towards eventual reductions in borrowing costs, but put a red flag on recent disappointing inflation readings and suggested a possible stall in the movement towards more balance in the economy. The Fed's latest policy statement, issued at the end of a two-day meeting, kept key elements of its economic assessment and policy guidance intact, noting that "inflation has eased" over the past year, and framing its discussion of interest rates around the conditions under which borrowing costs can be lowered.

"The (Federal Open Market Committee) does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably towards 2%," the Fed repeated in a unanimously-approved statement that still indicated the next move on rates will be down. Full Story ***Source: Reuters, 05.01.2024***

## GDP Growth Slowed to a 1.6% Rate in the First Quarter

The U.S. economic growth was much weaker than expected to start the year, and prices rose at a faster pace, the Commerce Department reported on April 25. Gross domestic product, a broad measure of goods and services produced in the January-through-March period, increased at a 1.6% annualized pace when adjusted for seasonality and inflation, according to the department's Bureau of Economic Analysis. Economists surveyed by Dow Jones had been looking for an increase of 2.4% following a 3.4% gain in the fourth quarter of 2023 and 4.9% in the previous period. Consumer spending increased 2.5% in the period, down from a 3.3% gain in the fourth quarter and below the 3% Wall Street estimate. Fixed investment and government spending at the state and local level helped keep GDP positive on the quarter, while a decline in private inventory investment and an increase in imports subtracted. Net exports subtracted 0.86 percentage points from the growth rate while consumer spending contributed 1.68 percentage points.

There was some bad news on the inflation front as well. The personal consumption expenditures price index, a key inflation variable for the Federal Reserve, rose at a 3.4% annualized pace for the quarter, its biggest gain in a year and up from 1.8% in the fourth quarter. Excluding food and energy, core PCE prices rose at a 3.7% rate, both well above the Fed's 2% target. Central bank officials tend to focus on core inflation as a stronger indicator of long-term trends. The price index for GDP, sometimes called the "chain-weighted" level, increased at a 3.1% rate, compared to the Dow Jones estimate for a 3% increase.

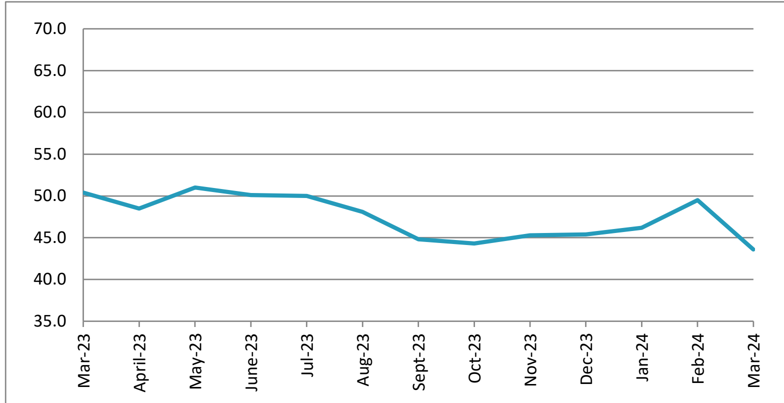
"This was a worst of both worlds report – slower than expected growth, higher than expected inflation," said David Donabedian, chief investment officer of CIBC Private Wealth US. "We are not far from all rate cuts being backed out of investor expectations. It forces [Fed Chair Jerome] Powell into a hawkish tone for May 1 [Federal Open Market Committee] meeting." The report comes with markets on edge about the state of monetary policy and when the Federal Reserve will start cutting its benchmark interest rate. The federal funds rate, which sets what banks charge each other for overnight lending, is in a targeted range between 5.25% to 5.5%, the highest in some 23 years though the central bank has not hiked since July 2023.

Investors have had to adjust their view of when the Fed will start easing as inflation has remained elevated. The view as expressed through futures trading is that rate reductions will begin in September, with the Fed likely to cut just one or two times this year. Futures pricing also shifted after the GDP release, with traders now pointing to just one cut in 2024, according to CME Group calculations.

"The economy will likely decelerate further in the following quarters as consumers are likely near the end of their spending splurge," said Jeffrey Roach, chief economist at LPL Financial. "Savings rates are falling as sticky inflation puts greater pressure on the consumer. We should expect inflation will ease throughout this year as aggregate demand slows, although the path to the Fed's 2% target still looks a long way off." Full Story ***Source: CNBC, 04.25.24***

# Key Economic Indicators

## Architecture Billings Index (ABI)



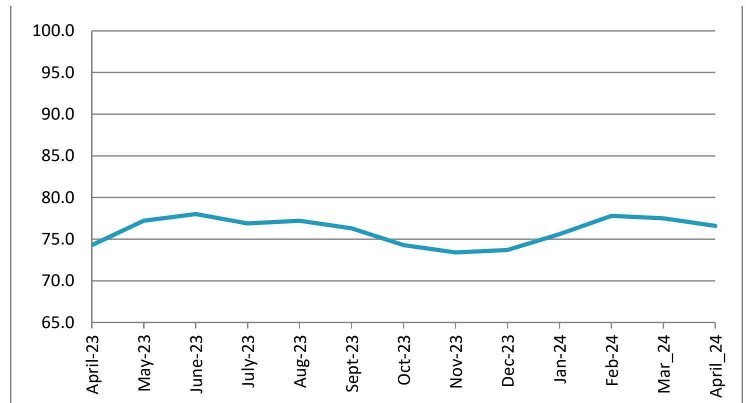

The AIA/Deltek Architecture Billings Index (ABI) reported a score of 43.6 for the month of March, indicating business conditions continue to soften for architecture firms. This marks the 14th consecutive month of declining billings at firms as inflation, supply chain issues and other economic challenges continue to affect business.

"Elevated construction costs coupled with prolonged high interest rates continue to discourage new project activity," said Kermit Baker, PhD, AIA Chief Economist. However, institutional design work seems to have stabilized, providing a solid base for the profession as it awaits a more positive economic environment for construction.

All regions of the country reported a decline in billings, with business conditions looking the softest this month at firms in the Midwest and the South. While there was a decline in billings for firms of all specializations, billings declined at a faster pace for firms with a commercial/industrial specialization.

The ABI score is a leading economic indicator of construction activity, providing an approximately nine-to-twelve-month glimpse into the future of nonresidential construction spending activity. The score is derived from a monthly survey of architecture firms that measures the change in the number of services provided to clients.
***Source: AIA, 04.24.2024***

## Steel Capability Utilization



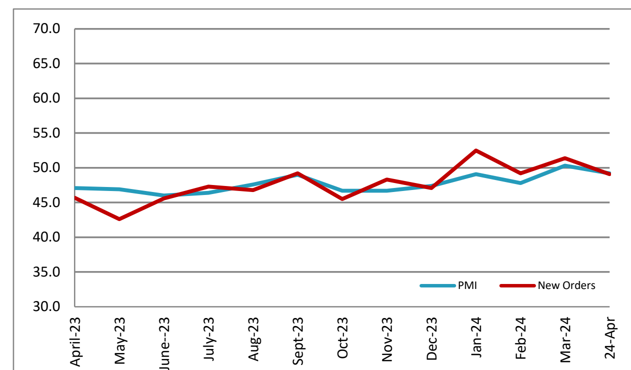

In the week ending on April 27, 2024, domestic raw steel production was 1,701,000 net tons while the capability utilization rate was 76.6%. Production was 1,769,000 net tons in the week ending April 27, 2023 while the capability utilization then was 78.6%. The current week production represents a 3.8% decrease from the same period in the previous year. Production for the week ending April 27, 2024 is down 0.9% from the previous week ending April 20, 2024 when production was 1,716,000 net tons and the rate of capability utilization was 77.3%.

Adjusted year-to-date production through April 27, 2024 was 28,550,000 net tons, at a capability utilization rate of 76.3%. That is down 2.9% from the 29,391,000 net tons during the same period last year, when the capability utilization rate was 77.9%.

Broken down by districts, here's production for the week ending April 27, 2024 in thousands of net tons: North East: 140; Great Lakes: 572; Midwest: 207; Southern: 721 and Western: 61 for a total of 1701.
***Source: AISI, 04.24.2024***

## Purchasing Managers Index (PMI)®

The Manufacturing PMI® registered 49.2% in April, down 1.1 percentage points from the 50.3% recorded in March. The overall economy continued in expansion for the 48th month after one month of contraction in April 2020. (A Manufacturing PMI® above 42.5%, over a period of time, generally indicates an expansion of the overall economy.) The New Orders Index moved back into contraction territory after one month of expansion, registering 49.1%, 2.3 percentage points lower than the 51.4% recorded in March. The April reading of the Production Index (51.3%) is 3.3 percentage points lower than March's figure of 54.6%. The Prices Index registered 60.9%, up 5.1 percentage points compared to the reading of 55.8% in March. The Backlog of Orders Index registered 45.4%, down percentage point compared to the 46.3% recorded in March. The Employment Index registered 48.6%, up 1.2 percentage points from March's figure of 47.4%. The Supplier Deliveries Index figure of 48.9% is 1 percentage point lower than the 49.9% recorded in March.




The New Export Orders Index reading of 48.7% is 2.9 percentage points lower than the 51.6% registered in March. The Imports Index continued in expansion territory, registering 51.9%, 1.1 percentage points lower than the 53% reported in March and February. In the last three months, the Imports Index has been at its highest levels since July 2022 (54.4)." Among the top six industries by contribution to manufacturing GDP in April, none had a PMI® at or below 45%. The nine manufacturing industries reporting growth in April Nonmetallic Mineral Products; Printing & Related Support Activities; Primary Metals; Textile Mills; Electrical Equipment, Appliances & Components; Petroleum & Coal Products; Transportation Equipment; Chemical Products; and Plastics & Rubber Products. ***Source: IMSWorld, 05.01.2024***

# China's Steel Overcapacity Increases Dumping Concerns

Spats over Chinese steel are back. President Joe Biden asked U.S. trade officials earlier this month to treble certain tariffs on imported Chinese steel and aluminum products to 22.5% from an average of 7.5%. Biden also aims to prevent tariff evasion through imports of steel via Mexico and other countries.

"China's overcapacity and non-market investments in the steel and aluminum industries mean high-quality U.S. products have to compete with artificially low-priced alternatives produced with higher carbon emissions," read a White House statement on April 17. Data supports this narrative. Chinese steelmaking capacity and output has grown massively since 2000 to meet soaring demand during a two-decade period of rapid economic growth. Today, China has operating plants able to produce over 967,000 tons of steel per year, according to Global Energy Monitor – over double the operating steel capacity found in the U.S., EU and India combined.

A sharp contraction in Chinese domestic demand and prices for steel, mainly due to a slowing property sector, has now led Chinese steelmakers to sell excess steel cheaply into overseas markets. Steel exports from China rose year-on-year by 36.2% to 90.3 million tons in 2023, while average export prices fell by 32.7% to $936.80 per tons, according to official statistics. China, which produces more than half of the world's steel, is accused of helping to fuel a global steel excess capacity crisis. In January, the OECD warned that global excess capacity widened to 610 million metric tons last year and is expected to "become even more acute" in the future.

"China disrupts world markets both by subsidizing the production of steel and other products and by dumping those products in the U.S. and other markets," says Kevin Dempsey, CEO of the American Iron and Steel Institute (AISI).

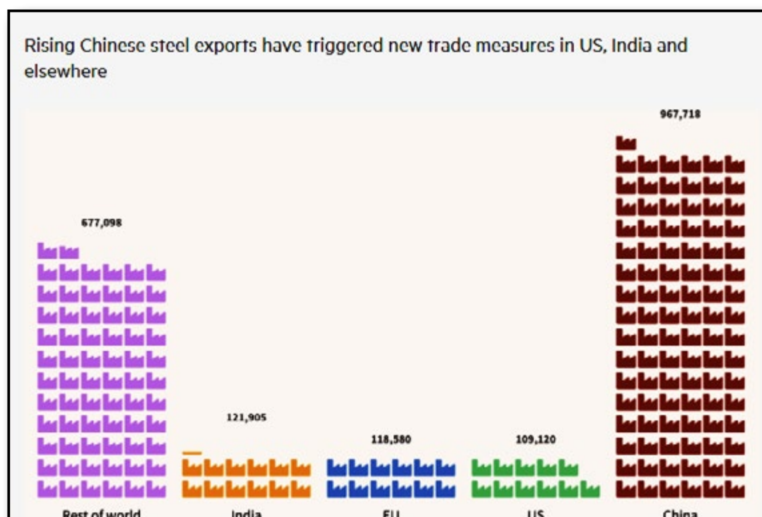
Late last year, India imposed duties against Chinese steel imports to avoid so-called dumping, where companies export steel at prices lower than those charged in home markets. Mexico recently imposed a 80% tariff on Chinese steel imports, while Brazil has launched its own anti-dumping investigations. "The current situation mirrors that of 2015 when China's steel sector grappled with significant oversupply," says Xinyi Shen, China lead at the Centre for Research on Energy and Clean Air, a think tank. In 2015, Chinese steel exports reached a record high of 112 million tons and sparked intense trade disputes with the EU, U.S. and other economies.

By far the largest export market for Chinese steel by value in 2023 was South Korea with $6.30 billion (Bn), followed by Vietnam ($6.08bn) and the EU ($4.14bn), according to China customs data. Despite facing significant U.S. political wrath, Chinese exports of steel to the US fell to 815,000 tons last year, down from 1.2 million metric tons in 2018, when Donald Trump had passed tariffs. Biden's call to increase tariffs, which includes an investigation into China's practices in steel-hungry sectors like shipbuilding and logistics, is typical of a U.S. presidential election year. Biden's predecessor Trump sparred over steel in 2016 with then Democratic candidate Hillary Clinton. Since China joined the World Trade Organization in 2001, more than 30 anti-dumping measures against China have been brought by the U.S. Commerce Department.

Analysts say the Chinese government is trying to reduce its domestic steel overcapacity and discourage steel exports through measures such as an increase of tariffs on iron. In April 2024, the Chinese government published new regulations aimed at increasing control over steel production capacity.

Xiaoyong Dai, an associate professor at Xi'an Jiaotong University, a state-funded institution in Shaanxi, underlines China's commitment to reduce its steel overcapacity, arguing it will help, "to mitigate trade disputes with other major steel producers elsewhere in the world". However, Chinese steel producers also face criticism for shifting production capacity into Belt and Road Initiative (BRI) countries. Among them is steelmaker Yongjin Metal Technology, which is building new production facilities in Thailand, Indonesia and Vietnam.

"It is clear that the BRI is about far more than roads," says Mr. Dempsey of AISI. "It is a thinly veiled effort to grow China's economic and political power — at the expense of market-driven steel markets like ours in the U.S." ***Source: FDI Intelligence, 04.29.2024***



# U.S. Steel Shareholders Approve $14.9 Billion Buyout by Nippon Steel

U.S. Steel shareholders on April 12 approved its proposed $14.9 billion acquisition by Japan's Nippon Steel as expected, taking the merger one step closer to completion even as political opposition to the deal mounts. U.S. Steel said that over 98% of the votes were in favor of the deal under which Nippon will pay $55 per share, an amount that represented a hefty premium when the takeover was announced in December.

Since then, however, several U.S. lawmakers have come out in opposition to the deal, citing national security concerns. President Joe Biden has said U.S. Steel must remain a domestically owned American firm. U.S. Steel's shares closed down 2.1% at $41.33 on Friday, well below Nippon Steel's offer of $55 a share, reflecting uncertainty over whether the deal will secure regulatory approval. The deal has drawn strong criticism from the United Steelworkers (USW) labor union, which is worried about potential job losses.

"We are not surprised by stockholders electing to cash in and sell out the iconic American company's employees and retirees," the USW said in response to the vote. Regulators are also scrutinizing the deal. The Committee on Foreign Investment in the U.S.(CFIUS), a powerful panel that reviews foreign investments in U.S. companies, has met with the parties to discuss the deal, Reuters has reported. The U.S. Justice Department has opened an in-depth antitrust investigation into the takeover. Nippon has pledged no job cuts as a result of the deal, to honor all agreements between the union and U.S. Steel, as well as to move its own U.S. headquarters to Pittsburgh where U.S. Steel is based.

The Japanese steelmaker said in a statement that it is "confident" the acquisition will "protect and grow U.S. Steel and bring significant benefits to its stakeholders ...as well as to the American steel industry and the U.S. as a whole." "We look forward to collaborating closely with U.S. Steel to move forward together as the 'Best Steelmaker with World-Leading Capabilities,'" said Vice Chairman Takahiro Mori. This vote "represents a major step," the company said.

Nippon Steel won the race for U.S. Steel over rivals Cleveland-Cliffs, ArcelorMittal and Nucor. The deal is expected to close in the second or third quarter of this year, the companies have said previously.

Bloomberg News reported on April 12, citing people familiar with the matter, that both steelmakers are expected to announced they now anticipate the deal to close in the second half of 2024. ***Source: Reuters, 04.12.2024***

# ISM Report: Manufacturing Activity Expands Following 16 Months of Contraction

With a March Purchasing Manager's Index reading of 50.3%, manufacturing economic activity expanded for the first time since September 2022. Compared to the February reading of 47.8%, the manufacturing PMI is up 2.5 points. "Of the six biggest manufacturing industries, four (food, beverage & tobacco products; fabricated metal products; chemical products; and transportation equipment) registered growth in March," says Timothy Fiore, chair of the ISM's manufacturing business survey committee.

Both the new orders index and the production index moved into expansion territory. New orders saw a 2.2 percentage point increase from February; production garnered a whopping 6.2 point increase for a March reading of 54.6%. Anything lower than 50% represents contraction. At 47.4%, the employment index is contracting at a slower rate, gaining 1.5 points from February.

"Demand remains at the early stages of recovery, with clear signs of improving conditions," says Fiore. This outlook assessment is reflected in the comments of the survey, with a number of respondents noting strong business activity. "Performance continues to defy projections of a downturn in activity. Demand remains strong, and the pipeline for orders is robust," writes an executive in the chemical products sector. Another in the fabricated metal products sector reports meeting and exceeding forecasts.

Several respondents also expressed positive expectations for 2024, with a computer & electronic products executive noting high optimism that, "orders are 'just on the horizon.'"

"Many manufacturers are anticipating better business in the second quarter and much better in the third quarter," writes a respondent in the wood products sector. ***Source: IndustryWeek, 04.01.2024***

# Factories Around the World Are Slowly Cranking into Gear Again

Assembly lines around the world are starting to hum again, marking a turn in a years-long manufacturing slump. The nascent industrial recovery is led by the world's two biggest economies. Chinese manufacturing has made a strong start to the year, boosting the economic outlook, and U.S. factory activity unexpectedly expanded last month for the first time since September 2022, buoyed by rising new orders and a jump in production.

JPMorgan/S&P Global's manufacturing index notched a second month above expansionary territory in March and sits at the highest level since July 2022. If sustained, that'll help catalyze a broader and stronger economic recovery that's already spreading beyond the U.S.

"Manufacturing PMIs are back to expansion in key economies including China, the UK and the U.S.," said Janet Mui, head of market analysis at RBC Brewin Dolphin, referring to purchasing manager indexes. "The synchronized nature of the recovery tends to be good signal for a cyclical upturn in global growth."

Greg Clement, who owns Milwaukee, Wisconsin-based Argon Industries, which makes high-end metal products used in everything from refrigerators and medical equipment to the defense sector, is among those benefiting. "We are seeing an uptick in projects," he said. "Six months ago it was not good and right now we have a really good pipeline of work for 2024."

***I would say there is some cautious optimism that the worst is over.***

James Knightley, chief international economist at ING

While it's still early days — a surprise downturn in China's exports suggests the recovery may be bumpy — the activity nonetheless marks a departure from the slowdown that took hold globally as consumer demand pivoted to spending more on services such as travel and dining out instead of buying more goods as pandemic-era restrictions ended.

Adding to the optimism is German industrial production that started the year on a two-month roll, underpinning hopes that Europe's biggest economy may emerge from a recession. Asian export powerhouses including South Korea and Japan are also showing improvement.

The Asian Development Bank expects a turnaround in merchandise exports starting around midyear will drive growth in Thailand, Vietnam, the Philippines and Malaysia. Leading the way for South Asia this year and next will be India, which wants to rival China as the world's factory floor.

That manufacturing strength will ensure the world skirts a recession and grows closer to its potential, says Moody's Analytics Chief Economist Mark Zandi. "Global manufacturing activity appears to be slowly reviving," Zandi said. "I don't expect global manufacturing to come roaring back given continued high global interest rates, higher oil prices, and supply-chain disruptions, but I do expect continued improvement."

Such uncertainty is why the World Trade Organization predicted that the volume of global merchandise trade will rebound only modestly this year from a rare contraction last year. Total goods trade will increase 2.6% in 2024, the WTO said, a downgrade from its 3.3% growth projection in October and in line with the average pace since 2010.

"The lingering effects of high energy prices and inflation weighed especially heavily on demand for trade-intensive manufactured goods" in 2023, the WTO said in the report. "But this should recover gradually over the next two years as inflationary pressures ease and as real household incomes improve."

Still, any talk of a cyclical upturn needs to be distinguished from longer-term realignments. ING economists called the latest report in Germany showing higher industrial production a "balm for the German economic soul." But they also warned that there's still a way to go before declaring an end to the downturn.

German factories are operating 8% below their pre-pandemic levels and industries are still undergoing strctural shifts in trade tied to geopolitical tensions.

In the UK, a recent report showed manufacturing jumped 1.2% last month, a much stronger than expected showing, following a March reading on factory purchasing managers that was the best since July 2022.

Southern European economies are punching above their weight as growth drivers in the euro area. Business surveys by S&P Global released earlier this month showed Spain and Italy beat economists' expectations with faster expansion in March.

In the U.S., the consumption engine for foreign goods appears to be revving up again after companies let inventories run off last year and supply chains that got knotted up during Covid look normal again. The volume of U.S. container imports reached 6.56 million during the first quarter, up 16% from a year earlier and well above pre-pandemic levels in 2018 and 2019, according to Descartes Datamyne. James Knightley, chief international economist at ING, described the improving outlook as more stabilization than rebound and the headwinds won't be unwinding anytime soon — but it's a turn nonetheless.

"I would say there is some cautious optimism that the worst is over," he said. ***Source: Bloomberg, 04.13.2024***

## U.S. Bans Import of Russian Metals in Larger Action Involving UK, LME, CME

The U.S. issued a ban on the import of Russian-origin aluminum, copper and nickel produced on or after April 13, part of a larger trade action in partnership with the UK that will also see the trade of these metals blocked on the London Metal Exchange and Chicago Mercantile Exchange.

"Our new prohibitions on key metals, in coordination with our partners in the United Kingdom, will continue to target the revenue Russia can earn to continue its brutal war against Ukraine," U.S. Treasury Secretary Janet Yellen said in a statement late April 12. "By taking this action in a targeted and responsible manner, we will reduce Russia's earnings while protecting our partners and allies from unwanted spillover effects."

The action applies "except to the extent provided by law, or unless licensed or otherwise authorized by the Office of Foreign Assets Control," according to the statement. The efforts from the U.S. and the UK represent the latest action taken in retaliation to Russia's continued war with Ukraine.

The U.S. has already taken action to limit its metals trade with Russia. In 2022, the U.S. revoked permanent normal trade relations from Russia, thus spiking duties on dozens of import categories including metals. For instance, duties increased to 18.5% from 2.6% for unwrought aluminum and 6.6 cents/kg from 0% for unwrought nickel.

In 2023, the U.S. applied an additional 200% tariff of aluminum imports from Russia. Russia was a major supplier of aluminum to the U.S. in past years, but shipments saw heavy declines even before the onset of the Russia-Ukraine war.

Since 2010, U.S. annual aluminum imports from Russia peaked at over 770,000 metric tons in 2017 but plunged to about 400,000 metric tons in 2018 and about 200,000 metric tons in 2022, according to U.S. Commerce Department data.

Similarly, U.S. import of nickel products from Russia tapered off earlier in the previous decade. By 2023, total nickel metal shipments from Russia under Harmonized Tariff Schedule code 75 totaled only about 900 metric tons, and Russia was not among the top 15 nickel exporters to the U.S.

However, Russia has not been a significant source of U.S. copper imports since 2011, with annual shipments exceeding 500 metric tons only twice since then. ***Source: S&P Global, 04.15.2024***

## U.S. Treasury Secretary Issues Trade Warning to China

U.S. Treasury Secretary Janet Yellen issued a strong warning to the Chinese government about its trade practices when she visited there week of April 8. While the secretary did not propose any new actions or penalties that would affect the industrial metals sector, she noted how China's past efforts and policies have harmed the North American steel sector.

Specifically, Secretary Yellen told a press conference that U.S. President Joe Biden would not allow a repeat of the "China shock" of the early 2000s, when she says a flood of Chinese imports into the U.S destroyed approximately two million U.S. manufacturing jobs.

Secretary Yellen accused the Chinese government of overinvesting in built factory capacity for batteries, solar panels, and other green energy goods. "We've seen this story before," Secretary Yellen told reporters. "Over a decade ago, massive PRC [People's Republic of China] government support led to below-cost Chinese steel that flooded the global market and decimated industries across the world and in the U.S." Secretary Yellen also pledged that she has "made it clear that President Biden and I will not accept that reality again."

Chinese officials were quick to respond. Vice Finance Minister Liao Min told Chinese media that the government, "has fully responded" to U.S. questions about overcapacity and that China's "current competitive advantages are rooted in China's large-scale market, complete industrial system and abundant human resources." ***Source: MSCI, 04.15.2024***

# President Biden Moves to Triple Tariff Rates on Chinese Steel and Aluminum

President Joe Biden threatened to triple the rates of tariffs on steel and aluminum from China amid pressure from labor unions concerned about the survival of the U.S. steel industry as Chinese exports flood the global markets. Biden, during an address April 17 to leaders of the United Steelworkers union in Pittsburgh, called on his U.S. Trade Representative, Katherine Tai, to consider tripling the existing 7.5% average tariff rate on Chinese steel and aluminum under Section 301 of the Trade Expansion Act to 25%.

"They're not competing – they're cheating. And we've seen the damage here in America," Biden said of China, adding that Pennsylvania and Ohio lost 14,000 steel jobs between 2000 and 2010 when China first began flooding the markets. "Let me ask you: Are we going to let that happen again?" "No!" steelworkers at the union's headquarters shouted in response.

With the move, Biden is borrowing from the trade playbook of former President Donald Trump, the Republican presumptive nominee, who routinely raised tariffs on Chinese goods during his four years in office. Lael Brainard, the White House director of the National Economic Council, said China – which produces more than half the world's steel – is making more steel than the world can absorb, "flooding global markets at artificially low prices" and "undercutting American steel that is clean."

Production of Chinese steel isn't subject to the same level of environmental regulation as the U.S. requires domestically. "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," Brainard said. "China cannot export its way to recovery. China is simply too big to play by its own rules."

The higher tariffs would apply to Chinese steel and aluminum imports that aren't subject to a Trump-era 25% tariff still in place on certain steel imports under Section 232 of the Trade Expansion Act. Imports of steel from China account for only about 0.6% of total U.S. steel demand, according to a senior Biden administration official. As a result, the White House does not believe raising the steel tariffs risks further increasing inflation, which has remained high despite recent economic gains.

Ahead of the November election, Biden and Trump are vying for support from working-class voters in Pennsylvania and other battleground states. In a related move, Biden is also directing the White House to work with Mexico to stop China's "evasion of tariffs" on steel and aluminum that are imported from Mexico to the U.S.

The U.S. Trade Representative will conduct an investigation into China's trade practices in shipbuilding following a petition by United Steelworkers alleging that China is pursuing aggressive non-market policies that have allowed it to dominate the global market.

"If that investigation confirms these anti-competitive trade practices, then I'm calling on (Tai) to consider tripling the tariff rates for both steel and aluminum imports from China," Biden said. Still, Biden sought to distance himself from Trump's approach to tariffs, who Biden said is now pushing "across-the-board tariffs on all imports from all countries that could badly hurt American consumers." Biden said Trump's tariff plan would cost the average American family an average of $1,500 a year.

The price of Chinese steel exports is about 40% lower than the price of U.S. exports. The higher tariffs are designed to provide a "more level playing field against China's unfair trade practices" and protect American jobs in the steel industry, a second Biden administration official said.

The U.S. steel industry has been rattled by the planned $14.9 billion sale of Pittsburgh-based U.S. Steel – an iconic American brand for more than a century – to Japanese-based Nippon Steel Corp.

Biden last month came out in opposition to the sale, which is under review by the Committee on Foreign Investment in the U.S. The United Steelworkers union, which opposes the deal, endorsed Biden's reelection bid shortly after he announced his opposition.

Biden's move on tariffs comes one week after Treasury Secretary Janet Yellen met with Chinese leaders in Beijing. Yellen said she relayed the U.S. is worried China's "weak household consumption and business overinvestment" pose "significant risk to workers and businesses in the U.S. and the rest of the world."

It is unclear when the higher Chinese steel tariffs would go into effect. U.S. tariffs imposed under Section 301 are nearing the conclusion of a statutory four-year review. Any formal action would follow the review. ***Source: USA TODAY, 04.17.2024***