

Impact of Steel and Aluminum Tariffs on Arkansas Manufacturers Survey Results Summary

Survey Background

The Arkansas District Export Council Arkansas and the World Trade Center prepared a survey to learn about the anticipated impact of steel and aluminum tariffs on Arkansas businesses. The survey was sent to Arkansas companies on March 15, 2018. Only responses from the companies that use steel and/or aluminum were included in the analysis. *Please note that these survey responses were collected before tariffs exemption details were outlined and prior to China's response.*

Survey Results

43 percent of the companies surveyed stated that their main reason for importing was due to the specific steel and/or aluminum articles being in short supply in the United States. For 13.4 percent of companies, these products are not available in the United States at all and they have no alternative to imports.

Approximately 84 percent of Arkansas companies stated that their products use steel or aluminum as a finished product in the supply chain. This means, for example, that rice used in the brewery industry has an end product that uses aluminum cans.

Arkansas companies typically import steel and aluminum from numerous countries at the same time. Nearly one third of Arkansas companies in the industry sectors listed in Figure 3 import steel and/or aluminum from China. A total of 63 companies across all sectors (out of 93 companies that answered this question in the survey) said they imported from China. Mexico and Canada are the second and third source countries for manufactures, end users & service providers, and component fabricators, followed by Japan. 40 out of 93 companies import from Mexico and 29 out of 93 companies import from Canada.

Figure 3: Top Countries Providing Imported Steel and/or Aluminum Materials for Arkansas Companies

Manufacturing - Producers - Agriculture		End Users & Services		Retailer - Supplier - Distributor		Component Fabrication	
China (25)	28%	China (24)	29%	China (6)	20%	China (8)	29%
Mexico (14)	16%	Mexico (17)	20%	Japan (5)	17%	Mexico (7)	25%
Canada (9)	10%	Canada (12)	14%	Taiwan (4)	13%	Canada (5)	18%
Japan (8)	9%	Japan (7)	8%	Germany (3)	10%	Japan (2)	7%
Germany (7)	8%	India (6)	7%	Canada (3)	10%	Germany (1)	4%
India (6)	7%	Taiwan (4)	5%	Mexico (2)	7%	Taiwan (1)	4%
Taiwan (4)	4%	Germany (3)	4%	Brazil (1)	3%	India (1)	4%
S. Korea (4)	4%	S. Korea (3)	4%	India (1)	3%	Thailand (1)	4%

Only 10 percent of surveyed companies said that the tariffs will have no impact on their business. Nearly 40 percent of companies stated that their costs will increase, 16 percent of companies were concerned about a possibility of worker layoffs. Approximately 34 percent of companies said that the tariffs will have a negative impact on their business.

