



# How Would Missouri Fare in a Global Trade War?

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*By: Andrew B. Wilson*

You might think that as a Midwestern state, Missouri would be less exposed than most other states to damaging repercussions from the Trump administration decision to impose tariffs of 25 percent on steel and 10 percent on aluminum.

But one of the most attention-getting findings contained in a newly released report from the Brookings Institution titled "[How Trump's Steel and Aluminum Tariffs Could Affect State Economies](#)" might cause you to think otherwise.

As the Brookings report points out, Missouri's imports of steel and aluminum amount to \$1.4 billion, or 7.4 percent of our state's total imports. By that measure, Missouri's exposure to tariff-driven increases in the price of those two commodities is the highest of any state in the country. But how meaningful is that metric?

Joseph Haslag, chief economist for the Show-Me Institute, points out that the metric is misleading for a couple of reasons. One is the presence of a large automotive sector in our state, and the other is the simple fact that Missouri is just not a large importing state.

A better measure, therefore, is to look at Missouri's exposure relative to our state's total output of goods and service—its gross domestic product. By that measure, Missouri falls from the state that is "most exposed" to steel and aluminum purchases to the 8th most exposed state—

still not anything to be happy about.

At both the state and national levels, agriculture is one sector of the economy that is likely to suffer. As Blake Hurst, president of the Missouri Farm Bureau, told me, “Farmers are going to be hit two ways—having to pay more for tractors, combines, and other equipment made from steel and aluminum, and also having to deal with the possible loss of foreign markets due to retaliatory tariffs on U.S. agricultural exports.”

Watch this space for further information on how changes in tariffs and trade agreements are likely to affect Missourians.

## About the Author



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*A former foreign correspondent who spent four years in the Middle East and served as Business Week’s London bureau chief during Margaret Thatcher’s first two terms as Britain’s prime minister, Andrew is a regular contributor to leading national publications, including the American Spectator, the Weekly Standard, and the Wall Street Journal.*

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## Links

[1] <https://showmeinstitute.org/blog/employment-jobs/how-would-missouri-fare-global-trade-war>

[2] <https://www.brookings.edu/blog/the-avenue/2018/03/06/how-trumps-steel-and-aluminum-tariffs-could-affect-state-economies/>

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Advancing liberty with responsibility by promoting market solutions for Missouri public policy.

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