

HANDOUT 5.5.2 TARIFF WINNERS AND LOSERS - ASSIGNMENT

Read the full explanation for each scenario, then determine whether you believe that this individual or business will “win” or “lose” as a result of the tariffs.

1. **U.S. auto parts manufacturer:** Your company produces engine parts and axles for numerous U.S.-based automobile companies with imported steel and aluminum.
2. **U.S. Senator from a steel-producing state, issued statement supporting tariffs:** Your state is home to three of the largest U.S. steel manufacturers. This issue is very important to your constituents.
3. **U.S. aluminum industry workers:** You are one of about 5,000 aluminum producers in the United States.
4. **Coca-Cola:** You are the world’s largest soft drink seller, and a high percentage of your products are sold in aluminum cans.
5. **Foreign auto, tool and machine part makers:** Your companies will not be paying these tariffs, so the cost of your products could be lower compared with similar products produced in the United States with foreign steel and aluminum.
6. **BMW worker at Plant Spartanburg:** You are a quality control manager at BMW in South Carolina. Approximately 55% of each vehicle you help produce is made of steel, while roughly 10% of each vehicle you help produce is made of aluminum.

HANDOUT 5.5.2 TARIFF WINNERS AND LOSERS - ANSWER KEY

Teacher Directions:

Tell students that you will be reading a number of scenarios related to businesses and individuals who are in some way affected by the recent steel and aluminum tariffs. Once students have heard the full explanation for each scenario, they are to move to the “Winners from Tariffs” side of the room if they believe that this person or business will “win” because of the tariffs or to the “Losers from Tariffs” side of the room if they believe that this person or business will “lose” because of the tariffs.

- 1. U.S. auto parts manufacturer:** Your company produces engine parts and axles for numerous U.S.-based automobile companies with imported steel and aluminum.
(Loser: It will cost you more to buy the imported steel and aluminum needed to make your parts.)
- 2. U.S. Senator from a steel producing state, issued statement supporting tariffs:** Your state is home to three of the largest U.S. steel manufacturers. This issue is very important to your constituents.
(Winner: Tariffs will drive up the cost of imported steel, so some buyers will likely purchase more U.S. steel. Steel workers in your state may have more job security, and they will likely appreciate your outspoken support of the tariffs.)
- 3. U.S. aluminum industry workers:** You are one of about 5,000 aluminum producers in the United States.
(Winner: Tariffs will drive up the cost of imported aluminum, so some buyers will likely purchase more U.S. aluminum. You will likely have more job security.)
- 4. Coca-Cola:** You are the world's largest soft drink seller, and a high percentage of your products are sold in aluminum cans.
(Loser: It will cost you more to buy the massive quantities of aluminum needed to make your cans.)
- 5. Foreign auto, tool and machine part makers:** Your companies will not be paying these tariffs, so the cost of your products could be lower compared with similar products produced in the United States with foreign steel and aluminum.
(Winner: Your products could potentially cost less than U.S. products because you are not subject to these tariffs.)
- 6. BMW worker at Plant Spartanburg:** You are a quality control manager at BMW in South Carolina. Approximately 55% of each vehicle you help produce is made of steel, while roughly 10% of each vehicle you help produce is made of aluminum.
(Loser: Each BMW produced in South Carolina is full of steel and aluminum, so the cost to produce each vehicle will increase, possibly causing the sticker price to increase.)