

**BUSINESS**

# Trump proposes tariffs to stem illegal immigration, drug flow, but could pose problem for Baltimore's port



The container ships Dubai Express and Atlantic Sea are shown at the Port of Baltimore in this file photo. (Kim Hairston/Staff)



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UPDATED: December 4, 2024 at 6:13 AM EST

When President-elect Donald Trump imposed tariffs during his first administration on billions of dollars of imports from China, Chinese imports at the Port of Baltimore fell 20% from 2018 to 2019.

Now, with Trump vowing to start the next term with new or additional taxes on foreign goods, port, shipping and elected officials in Maryland and elsewhere are bracing for more upheaval in the industry, especially since it's unclear what the tariffs might be.

When Trump campaigned, he promised a 10% to 20% tariff on foreign imports, and a 60% tariff on goods imported from China.

He has since said he would place tariffs of 25% on products coming to the U.S. from Canada and Mexico, and add 10% to any existing Chinese import taxes as a way to control the flow into the country of undocumented immigrants and illegal drugs, including fentanyl.



And on Saturday, he added threats of 100% tariffs against the BRIC alliance, a bloc of nine nations including Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Iran and the United Arab Emirates, if they take steps to undermine the U.S. dollar.

But it's uncertain whether Trump will follow through or how such policies would be imposed.

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## Asian imports to Baltimore are still wobbly

Trump's last round of tariffs on China, now the port of Baltimore's fifth biggest foreign trading partner, led to a drop in Chinese imports from 1.5 million tons in 2018 to to 1.2 million tons in 2019. By last year, volume had built back up to 1.3 million tons, according to the Maryland Port Administration.

"[Next year] we could see some impacts but exactly how much we don't know yet," said Richard Scher, the port administration spokesman. "As we add additional business from Asia, we won't know the full impacts to the Port of Baltimore until any proposed tariffs are put in place."

Trump has argued that tariffs, a percentage of the sales price that U.S. importers pay to foreign sellers, will lower food prices, create factory jobs and shrink the federal deficit.

But economists and many in shipping and industries that rely on imports disagree. They argue prices will soar on imported parts for autos and other industries as well as on consumer goods — everything from electronics to apparel to autos to appliances.

“By imposing tariffs and raising the price of foreign produced goods, naturally you’re going to see declines in shipments through ports all through the country, including the Port of Baltimore,” said Clark Packard, a research fellow at the libertarian Cato Institute in Washington. “Foreign trading partners will almost certainly retaliate [with tariffs on U.S. exports] which will cause a slowdown in exports as well.”

“You’re going to hurt a lot of blue collar workers, not just at the Port of Baltimore, but ports all over the country that would see slowdowns if the U.S. gets dragged into a trade war with pretty serious trading partners,” Packard said.

### **What countries could feel the impact of tariffs?**

A boost in tariffs could be on the table for three of the Baltimore’s top five foreign trade partners, including Mexico, at No. 2, and Canada, at No. 4, followed by China.

The Maryland port’s top imports — the most likely to be affected by tariffs — include automobiles, valued at \$15.2 billion last year, and agricultural and construction machinery, which totaled \$4.7 billion in 2023.

Margaret A. Kidd, program director and instructional associate professor of supply chain and logistics at the University of Houston, supplied those numbers and said communications equipment is another top import category.

“Tariffs are inflationary,” Kidd said “They impact consumers in general and lower-income Americans in particular based on consumption patterns of everyday goods that are imported. Bottom line retaliatory tariffs raise the price of U.S. goods, making them less competitive in foreign markets.”

Erik Rosica, sales manager for freight forwarder OEC Group in New York, which acts as a middleman for imports and exports, said he has started to see customers rush to import goods before new tariffs might be imposed, as early as Jan. 20.

That kind of activity could lead to clogged ports and shortages of warehouse storage space, he said. To be safe, he said, many importers have sought alternatives, such as using factories in countries unlikely to be slapped with tariffs and increasing orders to get ahead.

“They want to be first to market, not the last one when everyone presses the, ‘Oh, no’ button and imports more to beat a deadline,” Rosica said. “That’s when it gets hectic.”

He and others in the industry also worry that backups could occur around mid-January, a [deadline for longshoremen negotiating a contract with port operators after a three-day strike in early October.](#)

The International Longshoremen’s Association and the U.S. Maritime Alliance had come to a tentative agreement that ended the strike, sending 45,000 dockworkers in East and Gulf Coast ports back to work until Jan. 15.

## **Free trade could be threatened between neighbors**

U.S. manufacturers have long relied on the free trade that exists with Canada and Mexico, said Mike Klage, a vice president at NTG Supply Chain Solutions, a freight forwarder that manages shipments for automotive and industrial manufacturers.

That’s why news of potential 25% tariffs on imports from Canada and Mexico came as a shock, he said.

“Who knows what conversations are going on behind closed doors, but if they do go into effect, it will dramatically affect the immediate cost of doing business ... followed by a longer-term slump as the weight of the tariffs is felt and importers begin to weigh their options and figure out how to move forward,” Klage said.

Besides inflationary pressure on end products, it also would “influence decision making on supply chains, where to place plants, where to source vendors,” he said. “There’s a degree of concern this could trigger an economic slowdown, and if tariffs generate inflation in the economy as well

Rep. Kweisi Mfume, a Baltimore Democrat, said he opposes tariffs “because they create an economic slippery slope that could potentially work to increase inflation and hurt American families and consumers.”

Mfume said he hopes Trump “will take a step back from the edge of this economic cliff that stands to increase prices on groceries and other products that are the everyday staple of American life.”

Maryland Sen. Chris Van Hollen, another Democrat, called proposed sweeping tariffs a “hidden tax,” and argued that maintaining a fair global economic playing field is key to lowering costs for U.S. consumers.

“That’s why I’ve supported targeted tariffs to prevent competitors from gaining an unfair advantage on American industries,” said Van Hollen, a Democrat. “We need to fix our immigration system and tackle fentanyl without raising costs on everyday Americans.”

Others see benefits emerging from proposed policies. If tariffs successfully encourage domestic manufacturing, Baltimore’s port could benefit from an increase in exports of locally produced goods, said Adam Ferrari, an oil & gas expert and CEO of Phoenix Capital Group.

The port first might go through a short-term slowdown in imports such as cars and steel, potentially reducing revenues and traffic.

“Baltimore’s ability to handle diverse cargo gives it some flexibility to adapt, but changes like these inevitably bring logistical challenges,” Ferrari said. “In the long run, the port’s resilience and adaptability position it to navigate these shifts effectively.”

## **Are the Trump tariffs a bluff?**

Some experts believe it is highly unlikely that tariffs will be imposed at all.

That’s the view of Tinglong Dai, Bernard T. Ferrari Professor in operations management and business analytics at Johns Hopkins University’s Carey Business School, especially in light of recent talks between Trump and Mexico’s President Claudia Sheinbaum. Sheinbaum said she believes the two

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Imposing tariffs on Mexico would not bode well for Baltimore's port, a major auto importer, Dai said. Just under a third of automotive imports and parts imported to the U.S. come from Mexico.

"This is just a threat," that could violate existing trade agreements reached under the first Trump presidency, he said. "This is just his way of starting a conversation."

Threats of tariffs on China could end up being beneficial, Dai said.

"The best outcome would be that this would in fact stop inflow of fentanyl from China," he said.

*Sun staff Jeff Barker and Riley Gutiérrez McDermid and The Associated Press contributed to this story.*

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*Originally Published: December 4, 2024 at 5:00 AM EST*