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## Freight executive says Trump's tariffs could carry economic consequences

By Brett Davis | The Center Square

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Peter Ku of the OEC Group thinks President-elect Donald Trump's proposed tariffs could have a detrimental effect on Washington state's economy.

OEC Group

(The Center Square) – If President-elect Trump's proposed tariffs are implemented, it would raise the costs for a typical household by \$2,600 a year.

That's according to Peter ku, vice president of sales of the Seattle-based Northwest Region of the **OEC Group**, a global freight forwarder and leading company in trans-l trade.

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In a post on his Truth Social network last month, Trump said he was ready to sign an executive order on his first day in office imposing the tariffs – 25% on imports from Mexico and Canada and 10% on goods from China – framing his proposal as a response to the ongoing fentanyl crisis and related flood of illegal immigrants and migrants at the U.S. southern border.

In the lead up to the Nov. 5 general election, Trump repeatedly stated he would raise tariffs on goods made in China to 60% while implementing a tariff of up to 20% on imports generally.

Trump views tariffs as a negotiating tool to entice other countries into acting in America's best interests. Shortly after announcing his tariff plan, a group of Canadian officials joined Prime Minister Justin Trudeau in meeting with the president-elect. Canada **announced** they would increase border security shortly after. Mexico also announced they would crack down on migrants passing through the country on their way to the U.S. shortly after Trump's tariff announcement.

Ku claims that if Trump's latest proposed tariffs become a reality, they will have a major impact on Washington, a state highly dependent on international trade.

**Canada and China** were Washington's top importing partners in 2023, responsible for \$21 billion and \$12.1 billion in imports, respectively. Washington imports approximately \$3.5 billion from **Mexico**, making Mexico one of the state's top trade partners.

Ku questioned Trump's plan, noting in an email that "implementing tariffs on our neighboring countries is sort of like shooting ourselves in the foot."

He thinks the tariffs could negatively impact Washington's economy by causing a damaging trade war. According to the governor's office, approximately **one in three jobs** in the Evergreen State is tied to international trade, and the state handles around **\$45 billion** in quarterly trade volume.

“There’s a pretty good chance Trump tariffs spark a trade war,” Ku said, adding that “Trump may not get the 60% he’s going after, but he certainly will do something below that. All of these changes are heavily going to impact farmers, and especially Washington state. Washington growers will be impacted directly. Our trading partners will likely enact retaliatory tariffs, furthering the burden.”

There has already been some pushback.

“For example, China has already begun limiting rare minerals exported to the U.S., which are used in EVs [electric vehicles] and batteries,” Ku said. “China’s also having issues with their other trading partners, Europe and Australia, so it’s not just us. At the end of the day, it’s a world economy. We have stuff other countries want and they have what we want.”

In a **letter** to Trump, Mexico President Claudia Sheinbaum warned her country would retaliate by imposing its own taxes on imports from the U.S., which would “put at risk our shared enterprises.”

The Canadian government is also looking into possible retaliatory tariffs on certain items from the U.S. should Trump follow through on his threat to impose sweeping tariffs on Canadian products.

Ku circled back to the tariffs' potential impact on Washington’s nearly **\$14 billion** agricultural sector.

“Washington state primarily exports perishables and agricultural commodities, so farmers will take the biggest hit,” he explained. “Outside of Seattle, it’s mostly farmland.”

Ku acknowledged that most people associate coffee and apples with Washington while noting that “cherries are air freighted in every year for export. Seafood coming from Alaska, buckwheat, and hay are also going to be impacted.”

A trade war could also negatively impact Boeing, which manufactures most of its commercial aircraft in Washington.

“Outside of perishables, which aren’t much, think of Boeing,” Ku said. “They’re the largest exporter of machinery, so planes and parts could be included in this.”

A trade war would be the latest setback for a company already dealing with safety and production issues, as well as financial difficulties, including a recently concluded **strike** by machinists.

If Trump’s tariffs are implemented, Ku predicts Washingtonians – and Americans in general – will pay higher prices for products imported from Canada, Mexico and China.

“While much is uncertain with how things will play out, price increases are certain,” he said. “Businesses typically pass the extra cost of tariffs down to the consumer, which has been seen.”

Ku speculated on the added burden per household based on the proposed tariffs.

“If 60% tariffs are put in place, U.S. households are looking at a \$2,600 increase, up \$1,000 from the \$1,600 estimated in his [Trump’s] last term,” he said. “If the tariffs go above the 60%, U.S. households should expect a \$3,000-\$3,500 increase in yearly expenses.”

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