

## Economist: Tariffs on Canada could bring benefits for T&T

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ECONOMIST Dr Vaalmikki Arjoon believes there are both pros and cons for Trinidad and Tobago following the introduction of a 25% tariff on all imported steel and aluminium products from Canada, starting today.

Arjoon warned that if the tariffs come into effect, the added cost will naturally be passed onto the consumer as higher prices.

'For instance, local manufacturers that import machinery and parts from the US will have to pay a higher price for these items, which compounds their operating costs. Similarly, the construction sector relies on reinforced steel, fabricated metal structures, and aluminium products. Higher imported prices of these materials for us means higher construction costs locally,' he explained.

Arjoon added that the resulting impact is increased inflationary pressures on the local economy.

'Moreover, the tariff will increase operating costs in the energy sector as they depend heavily on steel-based pipes, tubing, and industrial machinery for oil and gas production. Having to pay higher prices to import from the US also means that we will require more forex to pay for these items, putting additional pressure on reserves. This higher cost of imports could also hurt our trade balance,' Arjoon highlighted. However, he believes there is a potential upside to the 50% tariff as it could present great opportunities for T&T.

'Whenever the T&T Iron and Steel Company Ltd, which acquired the former ArcelorMittal plant in Point Lisas, becomes operational, the higher steel prices may present opportunities for us to export competitively priced steel to the US market, potentially increasing market share and providing a beneficial counterbalance to rising import costs,' said Arjoon.

There was some tariff drama yesterday as US President Donald Trump threatened to double his planned tariffs on steel and aluminium from 25% to 50% for Canada. This came in response to Ontario Premier Doug Ford, the leader of Canada's most populous province, announcing that, effective Monday, Ontario would charge 25% more for electricity to 1.5 million American homes and businesses.

Ontario supplies electricity to Minnesota, New York, and Michigan.

'I will not hesitate to increase this charge. If the United States escalates, I will not hesitate to shut the electricity off completely,' Ontario Premier Doug Ford said at a news conference in Toronto.

However, after Trump announced the doubling of the tariff, Ontario suspended its planned surcharges on electricity sold to the United States.