KIEP Working Paper 20-01

Korea Institute for International Economic Policy

Trump Tariff and Firm Relief: Winners and Losers from Steel Tariff Exclusion Request

Yeo Joon Yoon and Wongi Kim

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Price USD 3

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Published April 24, 2020 in Korea by KIEP
ISBN 978-89-322-4293-4 94320
978-89-322-4026-8 (set)
Price USD 3

Executive Summary

On March 2018, the Trump administration introduced 25 percent tariffs on steel and 10 percent tariffs on aluminum imports. To minimize the adverse effects of these tariffs to downstream US producers who import these products, the exclusion request that grants tariff exemptions has been also established. In this paper we examined the determinants of the authority's decisions on the exclusion requests. Our analysis focuses on the political factors. Specifically, we ask whether companies operating business in states where Trump won the majority vote (Trump state) in the 2016 presidential election were more likely to get tariff exemptions. Our estimation result suggests that firms located in Trump states were more likely to be granted exemptions. Especially it appears that the decisions were made based on a dual standard. While firms with lower sales to employment ratios were more likely to be approved for the exclusion requests in Trump states, it was the opposite for firms in non-Trump states.

Keywords: Exclusion request, Trump trade policy, Steel tariff
JEL Classification: F13, F52

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Trump Tariff and Firm Relief: Winners and Losers from Steel Tariff Exclusion Request

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1. Introduction

On March 2018, under Section 232 of the Trade Expansion Act of 1962, the Trump administration introduced 25 percent tariffs on steel and 10 percent tariffs on aluminum imports. It also established a process called "exclusion request" for US producers that import these products. The exclusion request is a relief program designed to aid US firms that suffer from the increased costs of import due to the tariff. Under this process firms may file a request to be exempt from these tariffs and the Bureau of Industry and Security (BIS) at the Department of Commerce is responsible for making decisions on whether to approve or reject these requests.

In principle, an exclusion request is granted or approved in case a requesting company is not able to obtain the requested products in the US. If there exist enough amount of home-produced alternatives then the request is denied. However, it is not always the case that a trade policy is conducted wholly based on its officially stated objectives and technical criteria. Antidumping is a good example. Technically, antidumping decisions depend on whether the import price is below "fair" value and whether the dumping activity has seriously injured the domestic activity. However, there

is plenty of evidence that other factors such as political factors have influenced antidumping decisions. Moore (1992) and Hansen and Prusa (1996) document that antidumping duties are more likely if petitioners are located in the regions of important politicians.

Anecdotal evidence suggest that this could indeed be the case for the exclusion request. In an interview with The Financial Times (2018), one industry representative describes the decision making process of the exclusion request as *"a lack of transparency and a lack of consistency."* The Financial Times (2018) itself also claims that *"the notices announcing decisions are brief, giving only a cursory explanation of the department's reasoning, and have often left companies struggling to understand their thinking."*

As briefly noted above, it is well-established that political factors play an important role in shaping a country's trade policy.[1] Considering the bewilderment regarding the exclusion request process and the importance of political factors, in this paper we ask whether electoral incentives have played any role in shaping the BIS' decisions. This approach is related to a strand of the endogenous trade policy literature that view an incumbent government's trade policy is largely motivated to maximize its political support (Hillman 1982; Grossman and Helpman 1994). To address this, we examine the location of firms and the location's voting outcome in the 2016 presidential election and how it impacted the decision of BIS. In other words, we test whether the decisions of BIS had tendency to lean toward firms located in regions that favored Donald Trump.

To achieve this goal, we construct a unique firm-level dataset that includes, for each firm, the number of cases approved and denied, the location of firms, 10-digit HTS of the products that are requested to be exempted, the origin of imports and mother company. This is combined with the regional voting patterns and firm specific characteristics such as age, sales, employment, etc. We then employ a fractional probit model to estimate the probability of a firm receiving exemption from the tariffs and whether it depends on the location of the firm and that location's voting outcome in the 2016 presidential election.

Our overall result suggests that firms operating businesses in states that Trump won

[1] There is an extensive list of literature on the political economy of trade policy. A recent review is provided by McLaren (2016).

in the election tend to get more exemptions. The baseline estimation result suggests that a firm from a state where Trump won the most votes (Trump state) is 30 to 40 percent more likely to get an exemption than a firm that is identical in every other aspect but is located in a non-Trump state. Firm's sales per employment is another important determinant. However the effect of this variable for firms in Trump states is different from that in non-Trump states. Within Trump states, firms with lower sales per employment value are more likely to be granted exemptions from the tariff while within non-Trump states, firms with higher sales per employment are more likely to be exempted. Therefore if one is willing to interpret sales over employment as a firm's efficiency or resourcefulness measure, some interesting implications can be drawn. Outside the Trump states, more efficient firms were treated more favorably or more resourceful firms were better at preparing for filing exclusion requests, as a result of which they were more likely to be approved for exemptions. This story is reversed when it comes to firms located in Trump states. Namely, less efficient firms are more likely to be treated favorably. This result is robust to various specifications and inclusion of additional control variables.

The contribution of our paper is twofold. First, most of the endogenous trade policy literature focuses on how the political and electoral incentives shape the structure of tariff. Instead we pay attention to the political economy of a relief program that is designed to provide tariff exemptions to producers who face increased costs due to tariffs. The political economy of firm relief program is a relatively less explored area compared to the political economy of tariff formation. Secondly, our paper contributes to understanding of the Trump administration's trade policy. There is a growing number of works that investigate the impacts of Trump's trade policy on the US economy (Amiti *et al.* 2019; Fajgelbaum *et al.* 2019) and the political economy of Trump's trade policy (Fajgelbaum *et al.* 2019; Fetzer and Schwarz 2019; Blanchard *et al.* 2019). Fajgelbaum *et al.* (2019) document that US tariffs under the Trump administration are biased toward sectors located in electorally competitive (pivotal) counties. Fetzer and Schwarz (2019) also study the political economy of tariffs in Trump administration but their focus is on the retaliatory tariffs by China and the European Union. Blanchard, Bown and Chor (2019) find that in the 2018 congressional election, Republican candidates lost more seats in regions that are more exposed to retaliatory tariffs.

Our paper is also related to the study on the political economy of Trade Adjustment

Assistance (TAA) (Magee 2001; Laincz *et al.* 2016). The TAA was introduced in the Trade Expansion Act of 1962 to mitigate the adverse effect of increased trade on workers. The exclusion request is similar in nature to the TAA as both of them are designed to aid or provide relief to domestic agents who face difficulties due to trade policy. They are, however, different in that while the TAA is devised to facilitate free trade, the exclusion request has no such objective.

The remainder of the paper is organized as follows. Section 2 describes the exclusion request as a whole. Section 3 outlines the data and econometric methods. Section 4 discusses the estimation result. Section 5 concludes.

2. The Exclusion Request

The exclusion request was introduced as a way to minimize adverse impact of the 232 tariffs on downstream US industries. Only entities that are engaged in business activities in the US and that use the products subject to the tariffs may submit exclusion requests for consideration of tariff exemption. The Bureau of Industry and Security (BIS) at the Department of Commerce evaluates the submission and decide whether to grant exemption or not. The most important criterion for evaluation is whether a requested *"product is produced in the United States of a satisfactory quality or in a sufficient and reasonably available amount"* (Department of Commerce 2018).

Requesters need to classify products in 10-digit HTS code. A separate exclusion request must be filed even if products share the same HTS code but differ in chemical composition, dimension, strength, toughness, etc. In addition, a requester should provide the quantity of product required, the country origin of import and some basic information about their firm: the address of the firm, information about their parent company, etc. A typical document submitted to seek for an exclusion is displayed in the appendix.

It is also possible for any organization in the US to file objections to the exclusion requests. For a steel or aluminum product that is requested for an exemption, objection filers should provide detailed information including their production capabilities in the US, the availability and delivery time of the product. Essentially, companies filing an objection need to demonstrate that their company's product is substitutable to the imported product in amount and in a timely manner. An exclusion request may face multiple objections if there are more than one producer who think that they can satisfy the above-mentioned criteria. The authority then considers both the exclusion request and objection in reaching a final decision.

As of June 2019, 62,797 steel exclusion requests have been filed by a total of 838 US companies. Of these cases 43,807 requests have reached decisions and the remaining requests are still pending. About 62% of the decided cases are approved and 38% are denied for exemptions.

3. Data and Estimation

3-1. Data

There are two main sources that we use to construct the data. First, all the documents regarding the exclusion request, objection and decision are publicly available from the government's official website, *regulations.gov* and these separate files are compiled by *QuantGov.org*. It contains the government-assigned identification numbers for each case, 10-digit HTS code of the requested product, the name and address of the requesting company, the country origin of imports, the decision status, and the name and address of the objecting company.

We consider cases that were either approved or denied during the March 2018 to June 2019 period. Therefore, we drop cases that were still pending during this period. Our analysis is at the firm level and in many instances firms filed multiple requests. For each firm, we calculate an approval rate (*APR*) by taking ratio of the number of cases approved to the total number of cases filed. An *APR* can be interpreted as the likelihood of a company receiving approvals and we use it as the dependent variables in our estimation. We also normalize the number of objections filed against each firm by the total number of requests (*Obj*). For example, if the variable has value of 1, it means that, on average, one objection is submitted for one exclusion request. This variable captures the availability of a requested product in the US. If there are more objections, it implies that more domestic producers are claiming that their products can serve as substitutes for imports and they are punctually available in quantity. Therefore we expect a higher *Obj* is related to a lower APR as it can be a reasonable proxy that captures the effect of alternative availability on the decision.

We also obtain some important firm characteristics from the *Dow Jones Factiva* database. These characteristics include the sales amount, number of employment and age of each firm. We use log of sales per employment (*SPE*) and log of firms' age (difference between 2018 and year of establishment) as additional control variables in the estimation. With *SPE*, there is a possible endogeneity problem. While a majority of sales and employment data is from 2017, for some firms the data are from 2018. Because the exclusion request was introduced in March 2018, there could be a reverse causality between *APR* and *SPE* if we use sales and employment data in 2018. In other words, *APR* could have influenced the sales and employment of a firm. Especially, if

a firm has a lower *APR*, it could affect sales (in dollars) in either direction. A lower APR means that more of a firm's requests are turned down and the firm faces higher costs due to the tariff. It then increases the prices of goods that are produced by the firm. This alone would increase the sales value. On the other hand, the increase in price would reduce the quantity demanded for that product, which decreases the sales value. Even though it is not clear whether there would be an upward or downward bias, we take various approaches to address this issue in a later section.

We are able to match a substantial number, if not all, of the requesting firms to their firm-specific characteristics, based on the name and address of each firm listed in the exclusion request data. There are 766 firms that requested for exemptions and that were either granted or denied exemption during the March 2018 to June 2019 period. Among them, we could match 490 firms to their firm characteristics using *Factiva*.

Finally, we obtain the voting results of the 2016 presidential election at state level from the *US Federal Election Commission*. We then assign a dummy variable that has value 1 if a firm is located in a state where Trump won a plurality vote and 0 otherwise. We define this variable as *trump-win* dummy. This is the main variable of interest as its estimated coefficient indicates whether a firm that is located in Trump state received more favorable treatment from the authority.

Table 1 presents the descriptive statistics of important variables for estimation. About 67% of firms are located in the Trump states. Also, we can see that *SPE*, log of sales and log of employment (*Emp*) have huge variations. Figure 2 shows a box-plot of some selected variables over the *trump-win* dummy. It reveals that average approval rate of firms in a Trump state (80%) are higher than those in the other states (60%). Average of *SPE* and firm's age do not seem to be different over the trump-win dummy.[2] *SPE* has some outliers but age does not have extreme outliers except a few newly-born firms in 2017.

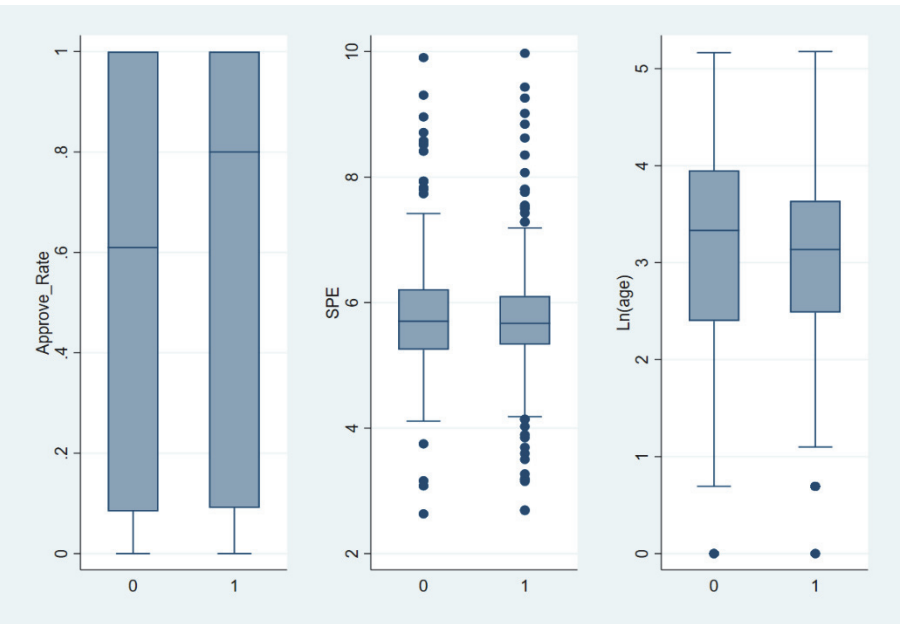
[2] Results from a simple mean difference test (T-test) also reveal that SPE and firms' age are not statistically different by trump-win dummy with conventional significance levels (1%, 5%, 10%).

Table 1. Descriptive Statistics

Variables	# of obs	Mean	Std.Dev	Min	Max
Approved rate (APR)	490	0.597	0.415	0	1
Ln(age)	490	3.085	0.986	0	5.176
Ln(Sales/Employment) (SPE)	490	5.784	0.967	2.633	9.972
Ln(Sales)	490	10.485	2.251	5.336	18.235
Ln(Employment)	490	5.691	2.018	0	11.644
# of objection/Cases (Obj)	490	0.478	0.920	0	5
trump–win dummy	490	0.673	0.469	0	1

Source: Author's calculation.

Figure 1. Box-Plot of Selected Variables over the Trump-Win Dummy



Note: 1 in x-axis indicates the states in which President Trump was elected in the 2016 election. Detailed states are shown in Figure 2 in appendix.

Source: Author's Calculation.

3-2. Model Specification and Estimation

To investigate the determinants of exclusion requests from the steel tariff, we estimate the following equation:

$$APR_i = c + \beta_1 \text{trump\_win}_i + \beta_2 \text{SPE}_i + \beta_3 \left(\text{SPE}_i \times \text{trump}_{\text{win}\,i}\right) + \delta' \text{Z}_i + \varepsilon_i = X_i'\gamma + \varepsilon_i \quad (1)$$

Subscript *i* denotes a firm, a bold letter means a column vector. APR is the approval rate of the exclusion requests, which has a value between 0 and 1. c is a constant term and *SPE* is log of sales per employment. We include the cross product term of *SPE* and the *trump-win* dummy. $\beta_1, \beta_2 \; and \; \beta_3$ are associated regression coefficients. δ is a vector of estimated coefficients for a set of additional control variables Z. Z includes log of firm age, number of objection normalized by number of cases (*Obj*), HTS codes of requested imports, country origin of imports, and country origin of a requesting company's mother company.

Because the dependent variable in equation (1) is bounded between 0 and 1 and can be interpreted as the probability of exemption, we estimate the equation (1) using the fractional probit model suggested by Papke and Wooldridge (1996). Because the fractional probit model does not require any ad-hoc transformations for dealing with fractional response variables, it is useful for analyzing fractional response variables. We estimate the following log-likelihood function using quasi-maximum likelihood (QMLE):

$$\ln L = \sum_{i=1}^{N} APR_i \ln\{\phi(X_i'\gamma)\} + (1 - APR_i)\ln\{1 - \phi(X_i'\gamma)\} \quad (2)$$

where N is the sample size and ϕ is the standard normal cumulative distribution function.

4. Estimation Results

4-1. Main Results

Table 2 shows the main estimation results.[3] We estimate the model with the entire sample (whole sample in Table 2) and the truncated sample (sales<95% in Table 2). Because distribution of sales is extremely skewed, we truncate firms in upper 5% of the sales distribution and estimate the equation with the truncated sample for robustness checks.[4] For the test statistics, we use robust standard errors. We also report the average marginal effects, instead of the estimated coefficients from the fractional probit model as it is more convenient to interpret the estimation results.

The result (1) in the first column is the baseline result. The estimated equation for the result (1) includes log of age, *Obj* and a set of control variables, Z. The implications can be summarized by the following. First, the approval rate of a firm (*APR*) located in a Trump-state is higher than those in other states. The estimated coefficient for the *trump-win* dummy in (1) is positive and statistically significant. The magnitude is about 0.3 (entire sample) to 0.4 (truncated sample). It means that two firms are identical in terms of *SPE*, age, and *Obj*, but are different in that one is located in a Trump state and the other in a non-Trump state, then an exclusion request from the firm in the Trump state is 30 to 40 percent more likely to be approved than the one from the firm in the non-Trump state. Furthermore, *Obj* has expected sign and is statistically significant. A higher value of *Obj* implies that more domestic alternatives are likely to be available and *APR* is expected to be lower. The estimated coefficient for firm's age is negative. It seems that younger firms are treated more favorably.[5]

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[3] We also match the location of firms to the House district and estimate the equation using the voting outcome at the House district level. The results are economically identical to the main results in Table 2, but are not statistically significant. Supplement Table 1 in the appendix presents the estimation results.

[4] See Supplement Figure 2 in the appendix for cumulative distribution of sales.

[5] We also estimate the model with age and the cross product of age and trump dummy for testing a potential dual standard. The estimated coefficients for age and the cross product term are not statistically significant in most cases.

Table 2. Main Results

	(1)		(2)		(3)	
	Whole sample	sales〈95%	Whole sample	sales〈95%	Whole sample	sales〈95%
Trump dummy	0.378 (2.55)*	0.457 (2.97)**	0.603 (3.93)**	0.683 (4.20)**	0.503 (3.14)**	0.572 (2.58)**
SPE	0.041 (2.59)**	0.047 (2.94) **	0.068 (4.18)**	0.074 (4.75)**		
SPE x Trump	−0.054 (−2.04)*	−0.069 (−2.47)*	−0.095 (−3.42)**	−0.110 (−3.68)**		
ln(*Sales*)					0.067 (3.98)**	0.072 (3.93)**
ln(*Emp*)					−0.073 (−5.14)**	−0.080 (−5.75)**
ln(*Sales*) x Trump					−0.093 (−3.34)**	−0.108 (−3.43)**
ln(*Emp*) x Trump					0.092 (3.50)**	0.107 (4.04)**
ln(age)	−0.038 (−1.84)+	−0.041 (−2.00)*	−0.039 (−1.92)+	−0.040 (−2.04)*	−0.036 (−1.59)	−0.037 (−1.80)+
Obj	−0.261 (−6.37)**	−0.253 (−5.93)**	−0.225 (−5.82)**	−0.214 (−5.26)**	−0.224 (−5.86)**	−0.213 (−5.35)**
HTS, Country	x	x	o	o	o	o
(Pseudo) R^2	0.156	0.148	0.200	0.192	0.200	0.193
# of obs	490	467	490	467	490	467

Note: **: 1%, *:5%. +:10%. ( ): z-value.

Source: Author's calculation.

Result (2) in the second column is generated by including additional control variables. The additional variables are HTS code dummy at the 4-digit level and country origin of imports dummy. To do this, we calculate 12 of the most frequently requested products at the 4-digit level and create a dummy variable for each of the 12 products.[6]

[6] The list is as follows: HTS 7304, HTS 7228, HTS 7217, HTS 7219, HTS 7225, HTS 7222, HTS 7306, HTS 7213, HTS 7210, HTS 7220, HTS 7227, and HTS 7226.

An HTS code dummy takes value of 1 if a firm requested a product under this HTS heading for exemption and 0, otherwise. Those 12 codes cover about 88% of the total cases. The HTS code dummies are included to capture potential damages on specific products due to tariff if it ever exists. The country origin of imports dummy is defined similarly. Japan, China, Austria, Germany and Sweden are the 5 most popular origins of imports and we create a dummy variable for each country.[7] We include these dummies to examine if imports from a particular country, such as China, have influenced the approval rate.[8]

Overall, the result indicates that even after accounting for other important factors, the political factor still survives. Namely, the Trump administration seems to be biased in favor of firms located in Trump states. Another interesting point is that the estimated coefficient for *SPE* is positive, while the cross product term of *SPE* and the *trump-win* dummy (*SPE* x *trump-win*) is negative. The absolute value of the estimated coefficient for *SPE* x *trump-win* is larger than that of *SPE*. This means that requests from a firm with higher sales-to-employment ratio are *less* likely to be approved *if it is located in a Trump state*. However, if a firm is located in a non-Trump state, then a higher *SPE* is likely to lead to exemptions from the tariff. Sales per employment, one of the most basic characteristic of a firm, is another important determinant of the exclusion request. However, its influence over the decision depends on the location of firms. Trump administration seems to apply a dual standard with respect to *SPE*: one for firms in a Trump-wining state, and the other for firms in non-Trump states.

If one is willing to interpret *SPE* as a firm's efficiency or resourcefulness measure we could also say that a less efficient firm is treated more favorably within a Trump state.[9] On the other hand, firms in a non-Trump state are more likely to get exemptions if they are more efficient. The authority appears to make decisions based on dual standards. One possible interpretation is that the administration takes this

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[7] Results are not sensitive to the number of HTS and country origins dummies included.

[8] Most of the estimated coefficients for the HTS code dummies are not statistically significant. However, some HTS codes such as 7222 and 7228 are more likely to be approved while some products such as HTS 7210 are less likely to be approved. Imports from Sweden are more likely to be approved and statistically significant. Detailed estimation results are available upon requests.

[9] More accurate measure of a firm's efficiency is value-added over employment. However, because value-added at firm-level is not easily available, the sales over employment measure is also used as an alternative proxy.

information into account in evaluating the requests but apply a dual standard to firms in Trump states and non-Trump states.

Another possible explanation is that for firms in non-Trump states, more productive or more resourceful firms could prepare for filing the documents more efficiently. This in turn produces better results for them even though the authority does not evaluate this criteria for firms in non-Trump states.

To understand the results more deeply, we include log of sales and log of employment in the equation (1) separately. We also include cross product terms of both variables and the *trump-win* dummy to keep the consistency with the baseline specification. Specifically, the estimation equation is as follows:

$$\begin{aligned} APR_i = {} & c + \beta_1 \text{Trump\_win}_i + \beta_2 \text{Ln(Sales)}_i + \beta_3 \text{Ln(Emp)}_i \\ & + \beta_4 (\text{Ln(Sales)}_i \times \text{Trump\_win}_i) \\ & + \beta_5 (\text{Ln(Emp)}_i \times \text{Trump\_win}_i) + \delta' \text{Z}_i + \varepsilon_i \end{aligned} \quad (3)$$

Column (3) in Table 2 presents the estimation result. If a firm is located in a Trump state then its size of sales negatively affects the approval rate (ln(*Sales*) + ln(*Sales*)**Trump* is negative) but its size of employment positively affects the approval rate (ln(*Emp*) + ln(*Emp*)**Trump* is positive).

Regarding Trump states, the authority seems to grant relatively more exemptions to firms that employ more workers and that have less sales value. The result regarding employment is consistent with the policy stance of the Trump administration that exerts a strong emphasis on jobs. However, the opposite result emerges for firms in non-Trump states. The results reveal that the size of sales positively affects the approval rate but the size of employment rate has negative impacts.

4-2. Additional Analysis

In this section we perform some additional analysis. As discussed above, there is an endogeneity issue regarding our *SPE* data. The sales and employment data for some firms in our dataset are from 2018. This could cause a reverse causality problem because the decisions that have been made in 2018 could possibly affect firm's sales and employment. To address this concern, we estimate two additional regression equations. First, we estimate the equation using an instrumental variable (IV) to avoid

the potential bias. We use industry level *SPE* in 2017 (log of product values per employment), classified by 4-digit NAICS code as an IV for the firm level *SPE*. As the tariff was introduced in 2018, the *SPE* in 2017 was not affected by the tariff. Furthermore, the *SPE* in 2017 at industry level is likely to be closely related to our firm-level *SPE* in the same industry because of its persistency. Thus we argue that our IV is exogenous and relevant. In fact, as we will show in Table 3 below, the result of weak IV test (Kleibergen and Paap (2006)'s Wald F-statistic) indicates that our IV is not weak.[10] It means that our IV is relevant and we can use standard statistical inferences. *Factiva* provide 4-digit NAICS classification of each firm and the NAICS *SPE* data is obtained from Bureau of Labor Statistics website.

As a second way to address this concern, we use groups of *SPE* defined by its deciles instead of *SPE* itself for the estimation. For that, we equally divide SPE by 10 groups using its size and assign a number from 1 to 10 for each group. For example, the lowest 10% have value 1 and the second 10% have value 2. Similarly, the highest 10% have value 10. The group of SPE is less sensitive to measurement errors. Also, we expect that the group of SPE is less affected by the reverse causality channel. Thus this transformation can mitigate the potential bias. Table 3 presents the estimation results.

Result (1) in the first column demonstrates that our baseline results do not seem to be biased. The estimated coefficients have the same sign and similar magnitudes as those in the baseline estimation. Also those are still statistically significant with conventional significance levels. The result (2) shows that the implications are still the same. Though magnitude of estimated coefficients become smaller, the signs are the same as those in the baseline case. Two robustness checks confirm that our implications are not driven by the reverse causality channel due to data issue.[11]

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[10] We conduct this test because we use robust standard errors. This test is valid under heteroscedasticity. Usual Cragg-Donald (1993) Wald F statistic may not be valid under heteroscedasticity errors. Stock and Yogo (2005) critical value is 7.03 (10% maximal IV size). Staiger and Stock (1997)'s rule-of-thumb level is 10.

[11] Note that the smaller values of coefficients are not due to the bias. We reduce variations of SPE using group of SPE, and it affects the magnitude of coefficients.

Table 3. Additional Results

	(1) Linear IV		(2) Fractional probit	
	Whole sample	sales〈95%	Whole sample	sales〈95%
Trump dummy	0.763 (1.97)*	0.883 (2.37)*	0.192 (3.49)**	0.209 (3.77)**
SPE	0.091 (1.74)+	0.103 (2.12)*		
SPE x Trump	−0.123 (−1.88)+	−0.148 (−2.32)*		
SPE, decile			0.020 (2.63)**	0.022 (3.22)**
SPE, decile x Trump			−0.025 (−2.48)*	−0.030 (−2.87)**
ln(age)	−0.048 (−1.99)*	−0.048 (−2.08)*	−0.041 (−1.96)*	−0.042 (−2.07)*
# of objections	−0.204 (−13.39)**	−0.198 (−11.44)**	−0.225 (−6.03)**	−0.214 (−5.42)**
HTS, Country	o	o	o	o
(Pseudo) R^2	0.335	0.328	0.197	0.190
# of obs	466	446	490	467
Kleibergen−Paap Wald F−statistic	35.262	22.566	−	−

Note: **: 1%, *:5%. +:10%. ( ): z-value, IV: 2017 4-digit NAICS SPE (log of total product value/ employment), Fractional probit: marginal effect, Linear IV: coefficients.

Source: Author's calculation.

We also test additional interesting hypotheses. The first one is the effects of parent company. One of the Trump administration's policy stances is America First. Based on this, we try to investigate whether the authority favors domestic firms (in terms of nationality of parent company) or not. To this end, we include an additional dummy variable which has value 1 if nationality of parent company of a firm is American, otherwise it has value 0. If estimated coefficient are positive and statistically significant for this dummy, we can think that being an American company positively affects exemption decisions. The results are reported in (1) in Table 4. The results show that nationality of parent company does not affect exemption decisions. The estimated coefficient is not statistically significant.

Table 4. Additional Results II

	(1) Parent		(2) Rust Belt		(3)Unemployment		(4) Industry GDP		(5) # of cases	
	Whole sample	sales ⟨95%	Whole sample	sales ⟨95%	Whole sample	sales ⟨95%	Whole sample	sales ⟨95%	Whole sample	sales ⟨95%
Trump dummy	0.630 (3.02)**	0.711 (3.93)**			0.595 (4.02)**	0.674 (4.29)**	0.642 (4.08)**	0.709 (4.26)**	0.605 (3.89)**	0.675 (4.16)**
SPE	0.072 (4.32)**	0.079 (4.92)**			0.067 (4.19)**	0.073 (4.67)**	0.088 (4.56)**	0.091 (4.56)**	0.070 (4.18)**	0.077 (4.86)**
SPE x Trump	−0.100 (−3.55)**	−0.115 (−3.83)**			0.094 (−3.48)**	−0.109 (−3.74)**	−0.101 (−3.58)**	−0.113 (−3.75)**	−0.096 (−3.40)**	−0.108 (−3.67)**
parent – US	−0.013 (−0.34)	−0.009 (−0.24)								
unemploy ment rate					0.023 (1.23)	0.024 (1.27)				
Industry GDP share							−0.011 (−1.61)	−0.009 (−1.36)		
ln(# of Cases)									−0.006 (−0.90)	−0.006 (−0.90)
Rust Belt dummy			−0.032 (−0.15)	0.042 (0.17)						
SPE			0.013 (0.47)	0.013 (0.43)						
SPE x Rust			−0.011 (−0.28)	−0.014 (−0.33)						
ln(age)	−0.033 (−1.70)	−0.034 (−1.83)+	−0.041 (−2.10)*	−0.040 (−2.12)*	0.039 (−1.90)+	−0.040 (−2.03)**	−0.041 (−2.11)*	−0.039 (−2.05)*	−0.039 (−1.95)*	−0.039 (−1.97)*
Obj	−0.245 (−7.05)**	−0.234 (−6.29)**	−0.226 (−6.01)**	−0.215 (−5.46)**	−0.226 (−5.74)**	−0.215 (−5.21)**	−0.230 (−5.76)**	−0.214 (−5.27)**	−0.224 (−5.67)**	−0.209 (−5.16)**
HTS, Country	o	o	o	o	o	o	o	o	o	o
(Pseudo) R^2	0.206	0.198	0.191	0.183	0.200	0.194	0.204	0.197	0.200	0.194
# of obs	483	460	490	467	490	467	485	459	490	467

Note: **: 1%, *:5%. +:10%. ( ): z-value.

Rust Belt: Wisconsin, Ohio, Indiana, Michigan, Pennsylvania, West Virginia, Illinois.

Source: Author's calculation.

The second hypothesis is related to industrial policy for the Rust Belt. In the 2016 presidential election, Rust Belt states such as Ohio voted for Trump.[12] Thus, Rust Belt states partly overlap the Trump states. Because of this, concerns may arise that our results are not driven by political incentives but are driven by industrial policy. This is because major industries in most Rust Belt states are manufacturing and introducing steel tariff can severely affect the industry in those regions. In this case, the government tries to protect those regions from severe damage and can favor firms located in those regions. In other words, it is possible that our results may be driven by this industrial policy, not by political incentives. To rule out this channel, we estimate the equation (1) with the rust-belt dummy instead of the trump-win dummy. We define the rust-belt states as follows: Wisconsin, Ohio, Indiana, Michigan, Pennsylvania, West Virginia, Illinois. The rust-belt dummy has value 1 if firms are in the rust-belt states, otherwise it has value 0. The result (2) in Table 3 reveals that our baseline results are not driven by industrial policy motives. The coefficient for the rust-belt dummy variable is small and statistically insignificant. Also the cross product term of the rust-belt dummy and SPE is not statistically significant. The result reveals that exemption decisions are affected by political incentives, rather than by industrial policy motive.

Next, we include state-level unemployment rate in 2017 to control for the effects of overall economic situations.[13] It is possible to say that the decisions could have been affected by the economic condition of each region. For example, firms in a state that was experiencing economic hardship could have been treated more favorably. Our proxy for economic condition is unemployment rate at state level. The data comes from the *Bureau of Labor Statistics*. The results shown in column (3) in Table 4 reveal that it is not statistically significant and the political incentives are still important.

We also include a control variable that is a relative measure of whether a requesting firm is a producer in an important industry for the state. If a firm's product belongs to an industry that makes up a larger part of the region's economy, then it could have some influences on the decision making process. This is because the authority could be concerned about possible adverse effects on the region's economy, if it denies requests from firms that produce important goods for that region. To evaluate this

[12] See Figure 3 in the appendix.

[13] We also use average unemployment rate from 2013 to 2017 (5 years) instead unemployment rate in 2017. The implications are the same.

channel, we include the ratio of state-industry GDP to total state GDP based on firms' location and their NAICS. The state-industry GDP at 3-digit NAICS level and NAICS of each firm are available from *Bureau of Economic Analysis* and *Dow Jones Factiva*, respectively.[14] The estimation results are shown in column (4). The results show that the importance of industry is not statistically significant while revealing that the political incentives are still important.

Finally, we add the log of number of total requests for each firm. One may argue that in one way or the other, the total number of requests could have some impacts on the approval rate. We control this possibility. The results in column (5) show that it is not important.

[14] We use the 10-year average of the industry share from 2008 to 2017.

5. Concluding Remarks

On March 2018, the Trump administration introduced 25 percent tariffs on steel and 10 percent tariffs on aluminum imports. To minimize the adverse effects of these tariffs to downstream US producers who import these products, the exclusion request that grants tariff exemptions has been also established. In this paper we examined the determinants of the authority's decisions on the exclusion requests. Our analysis focused on the political factors. Specifically, we ask whether companies operating business in states where Trump won the majority vote (Trump state) in the 2016 presidential election were more likely to get tariff exemptions.

Our estimation result suggests that firms located in Trump states were more likely to be granted exemptions. Especially it appears that the decisions were made based on a dual standard. While firms with lower sales to employment ratios were more likely to be approved for the exclusion requests in Trump states, it was the opposite for firms in non-Trump states. If the sales to employment ratio can be interpreted as an efficiency measure, it means that more efficient requesters ended up with more approvals, if they are from non-Trump states. This is sensible because more efficient firms would be better at preparing for filing the exclusion requests. But this only holds for firms from non-Trump states. Firms from Trump states seem to be treated differently. Less efficient firms are more likely to obtain exemptions and especially so if they employ relatively more workers.

Our paper contributes to the understanding of the political economy of Trump administration's trade policy and provides evidence that the decisions were biased in favor of firms from states that voted for Trump. However, our analysis is mostly based on empirics and lacks a theory. Thus, to have deeper understanding, a theoretical analysis is called for.

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Appendix

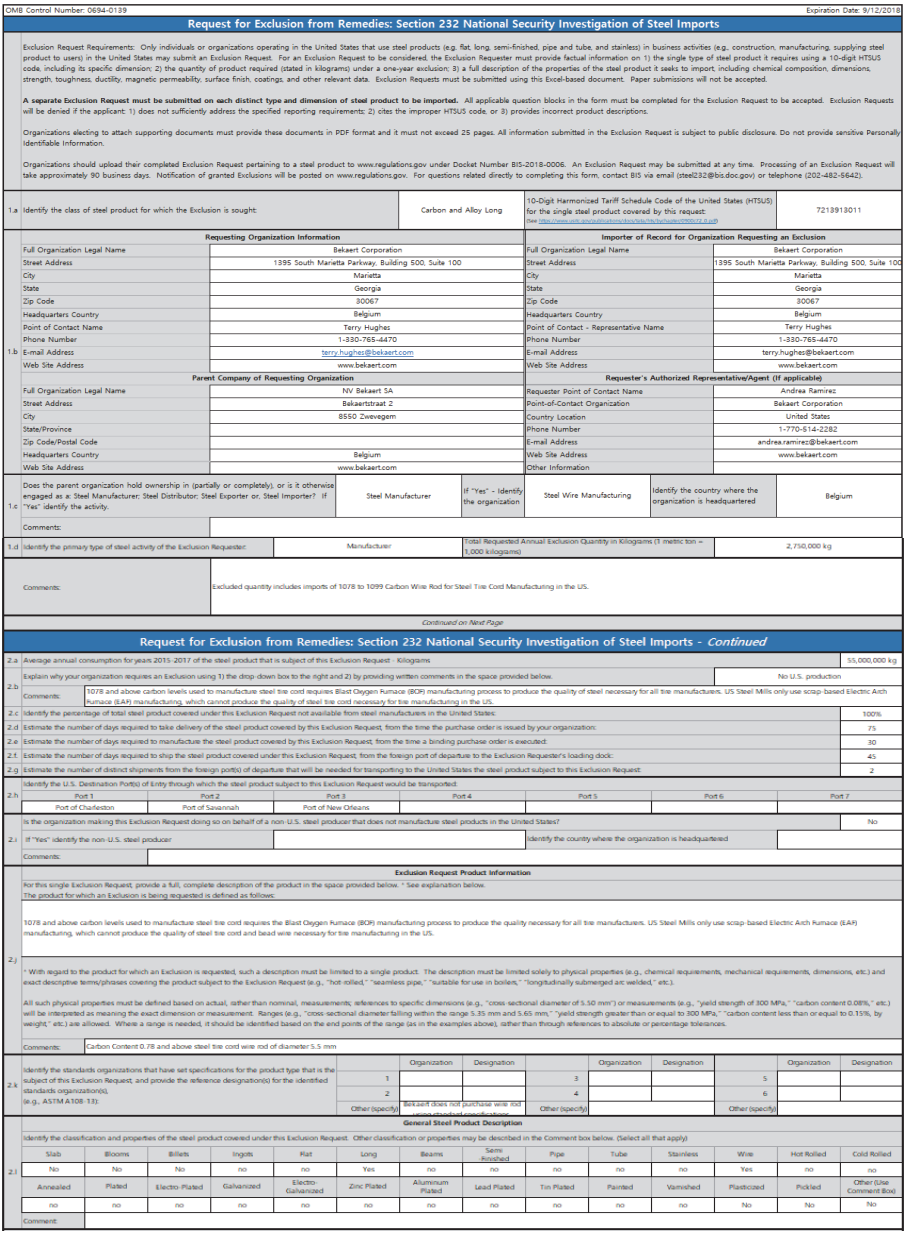
Supplement Table 1. Results at district level

	(1) District level		(2) District level	
	Whole sample	sales〈95%	Whole sample	sales〈95%
Trump dummy	0.257 (1.33)	0.261 (1.37)	0.273 (1.51)	0.317 (1.79)+
SPE	0.027 (1.32)	0.027 (1.27)		
SPE x Trump	0.041 (−1.24)	−0.042 (−1.25)		
ln(*Sales*)			0.026 (1.31)	0.026 (1.25)
ln(*Emp*)			−0.027 (−1.23)	−0.026 (−0.89)
ln(*Sales*) x Trump			−0.037 (−1.16)	−0.041 (−1.26)
ln(*Emp*) x Trump			0.025 (0.78)	0.023 (0.66)
ln(age)	−0.043 (−2.25)**	−0.044 (−2.39)**	−0.039 (−1.80)+	−0.040 (−2.03)**
Obj	−0.226 (−6.08)**	−0.215 (−5.42)**	−0.224 (−6.09)**	−0.213 (−5.30)**
HTS, Country	o	o	o	o
(Pseudo) R^2	0.211	0.202	0.212	0.204
# of obs	490	467	490	467

Note: **: 1%, *:5%. +:10%. ( ): z-value.

Source: Author's calculation.

Supplement Figure 1. An exclusion request document



OMB Control Number: 0694-0139 — Expiration Date: 9/12/2018

Request for Exclusion from Remedies: Section 232 National Security Investigation of Steel Imports

Exclusion Request Requirements: Only individuals or organizations operating in the United States that use steel products (e.g. flat, long, semi-finished, pipe and tube, and stainless) in business activities (e.g., construction, manufacturing, supplying steel product to users) in the United States may submit an Exclusion Request. For an Exclusion Request to be considered, the Exclusion Requester must provide factual information on 1) the single type of steel product it requires using a 10-digit HTSUS code, including its specific dimension; 2) the quantity of product required (stated in kilograms) under a one-year exclusion; 3) a full description of the properties of the steel product it seeks to import, including chemical composition, dimensions, strength, toughness, ductility, magnetic permeability, surface finish, coatings, and other relevant data. Exclusion Requests must be submitted using this Excel-based document. Paper submissions will not be accepted.

A separate Exclusion Request must be submitted on each distinct type and dimension of steel product to be imported. All applicable question blocks in the form must be completed for the Exclusion Request to be accepted. Exclusion Requests will be denied if the applicant: 1) does not sufficiently address the specified reporting requirements; 2) cites the improper HTSUS code, or 3) provides incorrect product descriptions.

Organizations electing to attach supporting documents must provide these documents in PDF format and it must not exceed 25 pages. All information submitted in the Exclusion Request is subject to public disclosure. Do not provide sensitive Personally Identifiable Information.

Organizations should upload their completed Exclusion Request pertaining to a steel product to www.regulations.gov under Docket Number BIS-2018-0006. An Exclusion Request may be submitted at any time. Processing of an Exclusion Request will take approximately 90 business days. Notification of granted Exclusions will be posted on www.regulations.gov. For questions related directly to completing this form, contact BIS via email (steel232@bis.doc.gov) or telephone (202-482-5642).

1.a	Identify the class of steel product for which the Exclusion is sought:	Carbon and Alloy Long	10-Digit Harmonized Tariff Schedule Code of the United States (HTSUS) for the single steel product covered by this request: See http://www.usitc.gov/tata/hts/index.htm for the latest HTSUS	7213913011

	Requesting Organization Information		Importer of Record for Organization Requesting an Exclusion	
	Full Organization Legal Name	Bekaert Corporation	Full Organization Legal Name	Bekaert Corporation
	Street Address	1395 South Marietta Parkway, Building 500, Suite 100	Street Address	1395 South Marietta Parkway, Building 500, Suite 100
	City	Marietta	City	Marietta
	State	Georgia	State	Georgia
	Zip Code	30067	Zip Code	30067
	Headquarters Country	Belgium	Headquarters Country	Belgium
	Point of Contact Name	Terry Hughes	Point of Contact - Representative Name	Terry Hughes
	Phone Number	1-330-765-4470	Phone Number	1-330-765-4470
1.b	E-mail Address	terry.hughes@bekaert.com	E-mail Address	terry.hughes@bekaert.com
	Web Site Address	www.bekaert.com	Web Site Address	www.bekaert.com
	Parent Company of Requesting Organization		**Requester's Authorized Representative/Agent (if applicable)**	
	Full Organization Legal Name	NV Bekaert SA	Requester Point of Contact Name	Andrea Ramirez
	Street Address	Bekaertstraat 2	Point-of-Contact Organization	Bekaert Corporation
	City	8550 Zwevegem	Country Location	United States
	State/Province		Phone Number	1-770-514-2282
	Zip Code/Postal Code		E-mail Address	andrea.ramirez@bekaert.com
	Headquarters Country	Belgium	Web Site Address	www.bekaert.com
	Web Site Address	www.bekaert.com	Other Information	

1.c	Does the parent organization hold ownership in (partially or completely), or is it otherwise engaged as a: Steel Manufacturer; Steel Distributor; Steel Exporter or, Steel Importer? If "Yes" identify the activity.	Steel Manufacturer	If "Yes" - Identify the organization	Steel Wire Manufacturing	Identify the country where the organization is headquartered	Belgium
	Comments:					

1.d	Identify the primary type of steel activity of the Exclusion Requester:	Manufacturer	Total Requested Annual Exclusion Quantity in Kilograms (1 metric ton = 1,000 kilograms)	2,750,000 kg
	Comments:	Excluded quantity includes imports of 7078 to 7099 Carbon Wire Rod for Steel Tire Cord Manufacturing in the US.		

Continued on Next Page

Request for Exclusion from Remedies: Section 232 National Security Investigation of Steel Imports - *Continued*

2.a	Average annual consumption for years 2015-2017 of the steel product that is subject of this Exclusion Request - Kilograms	55,000,000 kg
2.b	Explain why your organization requires an Exclusion using 1) the drop down box to the right and 2) by providing written comments in the space provided below.	No U.S. production
	Comments: 1078 and above carbon levels used to manufacture steel tire cord requires Blast Oxygen Furnace (BOF) manufacturing process to produce the quality of steel necessary for all tire manufacturers. US Steel Mills only use scrap-based Electric Arch Furnace (EAF) manufacturing, which cannot produce the quality of steel tire cord necessary for tire manufacturing in the US.	
2.c	Identify the percentage of total steel product covered under this Exclusion Request not available from steel manufacturers in the United States:	100%
2.d	Estimate the number of days required to take delivery of the steel product covered by this Exclusion Request, from the time the purchase order is issued by your organization:	75
2.e	Estimate the number of days required to manufacture the steel product covered by this Exclusion Request, from the time a binding purchase order is executed:	30
2.f	Estimate the number of days required to ship the steel product covered under this Exclusion Request, from the foreign port of departure to the Exclusion Requester's loading dock:	45
2.g	Estimate the number of distinct shipments from the foreign port(s) of departure that will be needed for transporting to the United States the steel product subject to this Exclusion Request:	2

2.h	Identify the U.S. Destination Port(s) of Entry through which the steel product subject to this Exclusion Request would be transported:						
	Port 1	Port 2	Port 3	Port 4	Port 5	Port 6	Port 7
	Port of Charleston	Port of Savannah	Port of New Orleans				

2.i	Is the organization making this Exclusion Request doing so on behalf of a non-U.S. steel producer that does not manufacture steel products in the United States?			No
	If "Yes" identify the non-U.S. steel producer		Identify the country where the organization is headquartered	
	Comments:			

Exclusion Request Product Information

2.j For this single Exclusion Request, provide a full, complete description of the product in the space provided below. * See explanation below.
The product for which an Exclusion is being requested is defined as follows:

1078 and above carbon levels used to manufacture steel tire cord requires the Blast Oxygen Furnace (BOF) manufacturing process to produce the quality necessary for all tire manufacturers. US Steel Mills only use scrap-based Electric Arch Furnace (EAF) manufacturing, which cannot produce the quality of steel tire cord and bead wire necessary for tire manufacturing in the US.

* With regard to the product for which an Exclusion is requested, such a description must be limited to a single product. The description must be limited solely to physical properties (e.g., chemical requirements, mechanical requirements, dimensions, etc.) and exact descriptive terms/phrases covering the product subject to the Exclusion Request (e.g., "hot-rolled," "seamless pipe," "suitable for use in boilers," "longitudinally submerged arc welded," etc.).

All such physical properties must be defined based on actual, rather than nominal, measurements; references to specific dimensions (e.g., "cross-sectional diameter of 5.50 mm") or measurements (e.g., "yield strength of 300 MPa," "carbon content 0.08%," etc.) will be interpreted as meaning the exact dimension or measurement. Ranges (e.g., "cross-sectional diameter falling within the range 5.35 mm and 5.65 mm," "yield strength greater than or equal to 300 MPa," "carbon content less than or equal to 0.15%, by weight," etc.) are allowed. Where a range is needed, it should be identified based on the end points of the range (as in the examples above), rather than through references to absolute or percentage tolerances.

Comments: Carbon Content 0.78 and above steel tire cord wire rod of diameter 5.5 mm

2.k	Identify the standards organizations that have set specifications for the product type that is the subject of this Exclusion Request, and provide the reference designation(s) for the identified standards organization(s). (e.g., ASTM A 108-13):		Organization	Designation		Organization	Designation		Organization	Designation
		1			3			5		
		2			4			6		
		Other (Specify)	Bekaert does not purchase wire rod using standard specifications		Other (Specify)			Other (Specify)		

General Steel Product Description

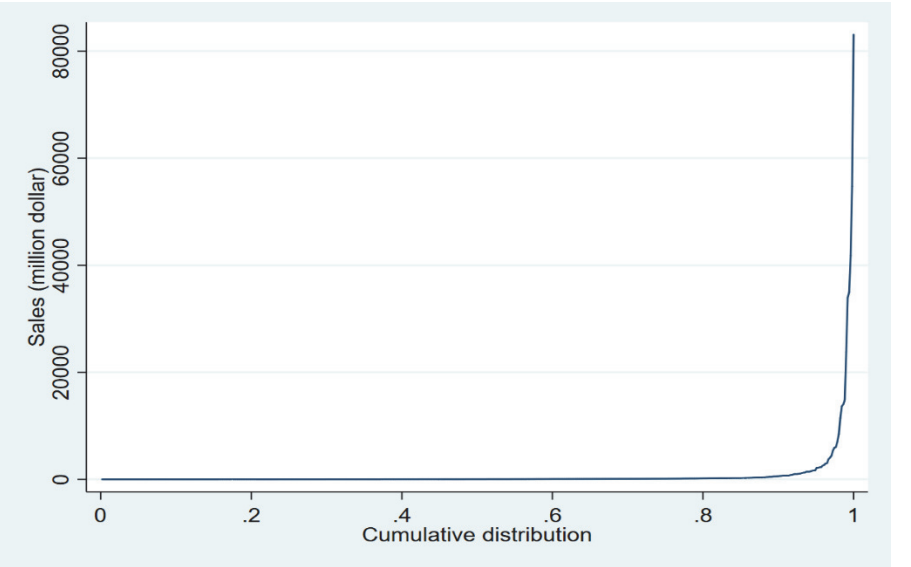
2.l Identify the classification and properties of the steel product covered under this Exclusion Request. Other classification or properties may be described in the Comment box below. (Select all that apply)

Slab	Blooms	Billets	Ingots	Flat	Long	Beams	Semi Finished	Pipe	Tube	Stainless	Wire	Hot Rolled	Cold Rolled
No	No	No	no	no	Yes	no	no	no	no	no	Yes	no	no

Annealed	Plated	Electro Plated	Galvanized	Electro-Galvanized	Zinc Plated	Aluminum Plated	Lead Plated	Tin Plated	Painted	Varnished	Plasticoad	Pickled	Other (Use Comment Box)
no	no	no	no	no	no	no	no	no	no	no	No	No	No

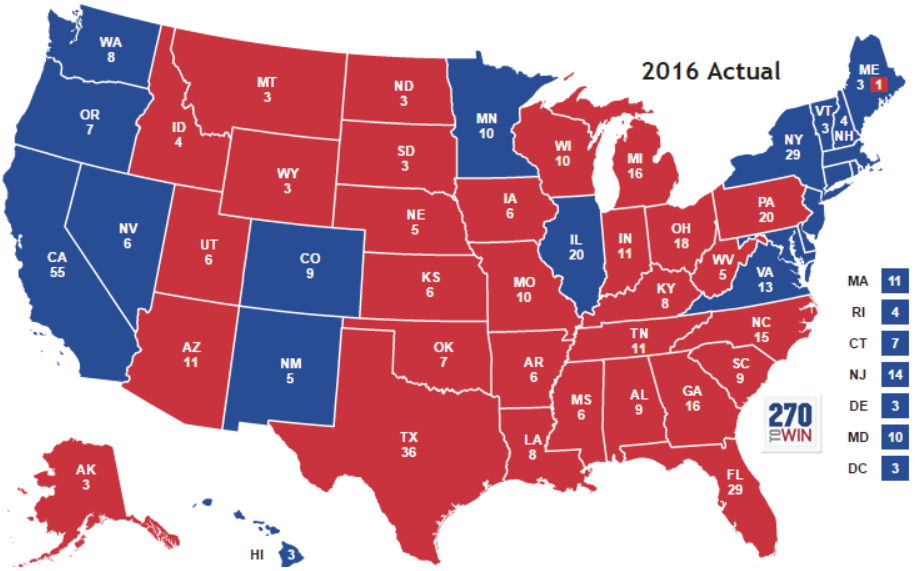
Comment:

Supplement Figure 2. Cumulative distribution of sales



Source: Author's Calculation.

Supplement Figure 3. The trump-win states in the 2016 election



Source: https://www.270towin.com/historical-presidential-elections/timeline/, download: 2020. 1. 17.

Supplement Figure 4. Sample of exclusion request data

ID	Product_Type	HTS	Company	Posted_Da	Received_	Origin_1
BIS-2018-0006-0028	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0028	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0028	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0028	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0028	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0029	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0029	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0029	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0029	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0031	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0031	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0031	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0031	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0032	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0032	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0032	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0032	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0033	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0033	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0033	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0033	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0033	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0034	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0034	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0034	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0034	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0034	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0035	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0035	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
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BIS-2018-0006-0036	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0036	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
BIS-2018-0006-0036	Carbon and Alloy Pipe and Tube	7.31E+09	Borusan Mannesmann Pipe U.S. Inc. ("BMP")	4/10/2018	3/30/2018	Turkey
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Source: Authors.

국문요약

미국 트럼프 행정부는 2018년 3월 철강 및 알루미늄 수입에 대하여 각각 25%와 10%의 추가 관세를 부과하였다. 이와 동시에 이들 제품을 수입하는 미국기업들의 비용 부담을 최소화하기 위하여 면제요청(exclusion request) 제도를 도입하였다. 본 제도에 의하면 면제요청에 대해 정부의 승인이 내려진 기업은 해당 관세에서 면제를 받게 된다. 본 연구는 기업의 면제요청에 대한 정부의 판결이 어떠한 요인들에 의해 결정되는지 분석하였다. 특히 정치적 요인에 초점을 맞춰 2016년 미 대선에서 트럼프가 승리한 지역(주)에 위치한 기업이 면제요청 승인을 받을 가능성이 높았는지에 대해 분석하였다. 실증분석 결과에 의하면 '트럼프 승리 지역'에 위치한 기업이 관세 면제를 받은 확률이 더욱 높았으며, '트럼프 승리 지역' 내에서 이러한 경향은 기업의 생산성(고용인당 매출액)이 낮을수록 더욱 두드러진 것으로 나타났다.

핵심용어: 통상법 232조, 트럼프 통상정책, 통상정책의 정치경제, 철강관세, 기업구제, 면제요청

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"Tariffs and Industrialization in Late Nineteenth Century America: the Role of Scale Economies" (*European Review of Economic History*, forthcoming) 외

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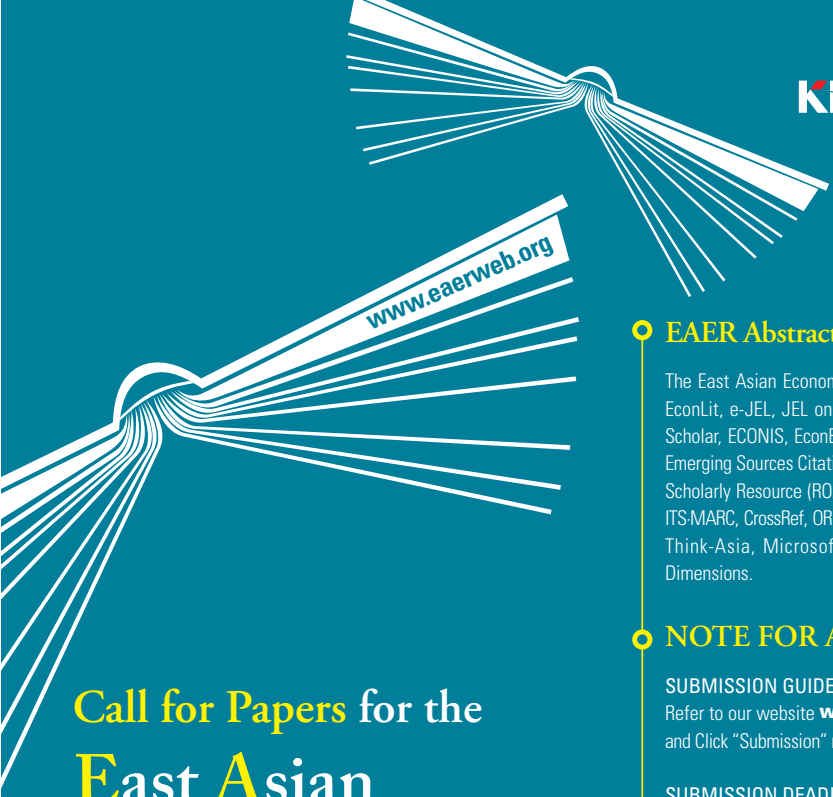

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ISBN 978-89-322-4293-4
978-89-322-4026-8(set)

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