



Global Trade Advisory Alert

EU implements supplemental tariffs on goods of US origin

On 10 November 2020—following a WTO arbitrator’s decision issued on 13 October 2020 authorizing the EU to implement retaliatory tariffs on US origin goods due to US subsidies of US aircraft production—the EU implemented supplemental tariffs on an estimated trade value of USD 4 billion per annum of US-origin goods imported into the EU.

The impacted US-origin goods are subject to two levels of supplemental tariffs, as follows:

- Certain US-origin aircraft of an unladen weight exceeding 15 tons are subject to supplemental tariffs of 15 percent; and
- A large variety of other US-origin goods are subject to supplemental tariffs of 25 percent, including certain fish, cheese, nuts, wheat, certain types of vegetable oils, chocolate and products containing cocoa, frozen orange juice, rum, vodka, tobacco, leather handbags, heavy machinery, tractors, and video game consoles.

Supplemental tariffs will not apply to the identified products if an import license with an exemption from or a reduction of duty had been issued prior to the entry into force date, or if an importer can prove that the

identified products were exported from the US and destined to the EU prior to the date the supplemental tariffs went into effect.

How we can help

Deloitte's Global Trade Advisory specialists are part of a global network of professionals who can provide specialized assistance in global trade matters. Our professionals can help companies seeking to manage the impacts and potential impacts of the developments described above by:

- Obtaining and analyzing import data to assess the potential impacts of the trade measures;
- Examining supply chains and imported products to determine opportunities to manage increased costs due to the additional tariffs;
- Conducting strategic sourcing reviews to identify potential alternative sources of affected products;
- Scrutinizing the accuracy of tariff classifications;
- Considering tariff engineering opportunities;
- Reviewing Incoterms used in contracts to confirm responsibilities for customs duty payments; and
- Undertaking customs valuation planning to manage the impacts of the supplemental tariffs.

For more information, contact:

United States

Kristine Dozier
kdozier@deloitte.com

Helen Cousineau
hcousineau@deloitte.com

Suzanne Kao
skao@deloitte.com

Pablo Lecour
pablolecour@deloitte.com

Global/Americas

Kristine Dozier
kdozier@deloitte.com

EMEA

Johan Hollebeek
jhollebeek@deloitte.nl

Asia-Pacific

Meng Yew Wong
mewong@deloitte.com

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