

## Global Trade News Alert

### US Announces Steel and Aluminum Tariffs Effective 23 March

On March 8, 2018, President Trump issued two proclamations formally implementing new tariffs on imports of steel and aluminum into the US. The President cited the reason for the tariffs as the threat to national security posed by declining steel and aluminum industries, stating that such decline was “weakening our internal economy” and leaving the US “at risk of becoming completely reliant on foreign producers.” These tariffs are based on the recommendations stemming from two investigations conducted by the US Department of Commerce under Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862) that concluded in January.

Effective at 12:01 am on March 23, 2018, the US will apply a 25% tariff on imports of steel and a 10% tariff on imports of aluminum. “Steel articles” subject to the steel tariff have been defined as products classifiable in the following Harmonized Tariff Schedule (HTS) six-digit subheadings:

- 7206.10 through 7216.50
- 7216.99 through 7301.10
- 7302.10
- 7302.40 through 7302.90
- 7304.10 through 7306.90

“Aluminum articles” subject to the aluminum tariff have been defined as products classifiable in the following HTS four-digit headings and 10-digit codes:

- 7601
- 7604
- 7605
- 7606
- 7607
- 7608
- 7609
- 7616.99.5160
- 7616.99.5170

Both proclamations temporarily exclude Canada and Mexico from these tariffs while the “threat to the national security posed by imports of aluminum articles from Canada and Mexico” remains the subject of ongoing discussions with these countries. During a news conference conducted immediately in advance of the signing of the proclamations, the President indicated that the US expects that Canada and Mexico will take action to prevent transshipment of aluminum articles through Canada and Mexico to the US, and referred to ongoing talks to update the North American Free Trade Agreement (NAFTA).

The President further indicated that exemptions may be available in the future for steel or aluminum products not available in sufficient quantities or quality within the US, as well as for countries that reach a negotiated agreement with the US that represents “satisfactory alternative means to address the threat to the national security.” Procedures to request the exclusion of a particular product are expected to be published by March 18, 2018.

Section 232 of the Trade Expansion Act authorizes the President to take actions deemed necessary “to adjust the [level] of imports so that such imports do not threaten to impair national security [when the Secretary of Commerce] finds that an article is being imported in quantities or under circumstances that threaten to impair national security.” Since 1980, the Commerce Department has conducted 14 Section 232 investigations. Past remedies have included implementation of “Buy American” restrictions, research and development funding for industry, voluntary restraint agreements with multiple countries on imports, and an aggressive industry competitiveness action plan.

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## **For more information, contact:**

### ***In the US:***

**Michele McGuire**  
[mimcguire@deloitte.com](mailto:mimcguire@deloitte.com)

**Helen Cousineau**  
[hcousineau@deloitte.com](mailto:hcousineau@deloitte.com)

**Suzanne Kao**  
[skao@deloitte.com](mailto:skao@deloitte.com)

**Chris Halloran**  
[challoran@deloitte.com](mailto:challoran@deloitte.com)

***In the EU:***

**Fernand Rutten**  
[frutten@deloitte.com](mailto:frutten@deloitte.com)

**Klaas Winters**  
[klwinters@deloitte.nl](mailto:klwinters@deloitte.nl)

***In Asia-Pacific:***

**Sarah Chin**  
[sachin@deloitte.com.hk](mailto:sachin@deloitte.com.hk)



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