Section 232 Tariffs on Steel and Aluminum Imports

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Starting on June 1, 2018, the Trump Administration has imposed a 25 percent tariff on steel and a 10 percent tariff on aluminum imports into the U.S. from all countries, except Argentina, Australia, Brazil, and South Korea. The exemption was granted to these four countries, as they agreed to quotas that prohibit any imports into the U.S. above certain specified levels. The list of countries subject to the Section 232 tariffs now includes every country in the European Union, as well as Canada and Mexico. In announcing that certain steel and aluminum imports from Canada, Mexico, and European Union countries would become subject to the tariffs, Secretary of Commerce Wilbur Ross stated that insufficient progress has been made in negotiations with the European Union on certain trade restrictions, as well as with Mexico and Canada on the North American Free Trade Agreement.

The following table summarizes the scope of the Section 232 steel and aluminum tariffs as of June 1, 2018:

If you are a U.S. company that relies on steel or aluminum products from foreign or domestic sources, you should strongly consider submitting a formal request to exclude specific products that would otherwise be subject to the tariffs. Additionally, U.S. companies that produce steel or aluminum products domestically may wish to object to exclusion requests by other importers. In the event your company is interested in submitting such an exclusion request or objection, please contact Frost Brown Todd. We have assisted a number of U.S. and international companies impacted by the Section 232 tariffs, and previously provided a legal update containing more information on the process.

In response to imposition of the Section 232 tariffs by the U.S., Canada, Mexico, and the European Union all have announced retaliatory measures.

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Canada has published a proposed list of U.S. exports on which retaliatory tariffs will be imposed beginning on July 1, 2018. According to the official release published by the Canadian Department of Finance, the total value of the targeted U.S. exports is roughly $12.8 billion. Such exports include steel and aluminum products, mattresses, motorboats, food products, such as coffee, condiments, cheese, and pork, and consumer products, including toilet paper.

Mexico imposed its own retaliatory tariffs on June 6, 2018, affecting a list of American products valued at nearly $3 billion. Examples of subject products include steel, aluminum, bourbon, and food products such as apples, blueberries, grapes, cheese, potatoes, and pork.

Also, the European Union has published its own list of U.S. goods that will be subject to retaliatory tariffs. Such goods have an estimated total value of $3 billion and include steel, aluminum, bourbon, corn, textiles, boats, and glass products. Affected products will generally be subject to a 25 percent duty rate, which is scheduled to take effect in July 2018.

As we expect to see these retaliatory tariffs fully implemented in the coming weeks, it is critical for U.S. companies to determine their exposure to such retaliatory measures. Our International Trade Compliance Service Team can assist in this effort. In addition, we will continue to closely monitor the situation and provide timely updates on the implementation processes.

For more information or any questions surrounding the retaliatory tariffs, please contact Jan de Beer, Katie Berkley, or Chanhee Han of Frost Brown Todd's International Trade Compliance Service Team.

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