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United States adjusts steel and aluminum tariffs

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The United States has imposed a 10% tariff on aluminum imports and a 25% tariff on steel imports since March 2018, following a determination by U.S. Secretary of Commerce Wilbur Ross that such imports were threatening to impair U.S. national security. In January 2020, Ross informed the White House that domestic U.S. capacity had not yet reached the threshold required to remove the threat to national security, as determined by the Department of Commerce. One possible reason for the lack of growth in the domestic steel and aluminum production industry is the surge in imports of aluminum and steel derivatives.

The Secretary of Commerce defined derivatives as any article in which the following conditions were present:

“(a) the aluminum article or steel article represents, on average, two-thirds or more of the total cost of materials of the derivative article; (b) import volumes of such derivative article increased year-to-year since June 1, 2018, following the imposition of the tariffs in Proclamation 9704 and Proclamation 9705, as amended by Proclamation 9739 and Proclamation 9740, respectively, in comparison to import volumes of such derivative article during the 2 preceding years; and (c) import volumes of such derivative article following the imposition of the tariffs exceeded the 4 percent average increase in the total volume of goods imported into the United States during the same period since June 1, 2018.”^[1][1]

The White House proclamation modifies the Harmonized Tariff Schedule of the United States to take into account the new tariffs and exempts the following nations: (1) Argentina, the Commonwealth of Australia (Australia), Canada, and the United Mexican States (Mexico) for aluminum derivatives, and (2) Argentina, Australia, Brazil, Canada, Mexico, and South Korea for steel derivatives.

¹ [1] Adjusting Imports of Derivative Aluminum Articles and Derivative Steel Articles Into the United States, 85 Fed. Reg. 5,281 (January 29, 2020) , <http://bit.ly/31uU3k5>.

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