

Report on Supply Chain Compliance Volume 3, Number 16. August 20, 2020 US and Canada rekindle trade war

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United States President Donald Trump announced^[1] Aug. 6 that he would be imposing a 10% tariff on aluminum imports, citing national security concerns and a depressed U.S. domestic aluminum industry. Canadian Deputy Prime Minister Chrystia Freeland responded^[2] with a list of possible targets for retaliatory tariffs.

In response to [U.S. imposed tariffs] and in accordance with the May 2019 Joint Statement by Canada and the United States on Section 232 Duties on Steel and Aluminum, Canada intends to impose surtaxes against imports of aluminum and aluminum-containing products from the U.S., representing a proportionate amount of Canadian aluminum products affected by the U.S. tariffs.

The two countries are party to the U.S.-Mexico-Canada Agreement, the trade pact that replaced the North American Free Trade Agreement. Prior to the signing of the U.S.-Mexico-Canada Agreement, both Canada and the U.S. had imposed tariffs on each other^[3]. Those tariffs were removed following the implementation of the agreement last month.

U.S. tariffs on Canadian aluminum took effect Aug. 16, 2020, while Canadian tariffs will be in place by Sept. 16, 2020.

1 Josh Zumbrun, “Trump to Reimpose Aluminum Tariffs on Canada,” The Wall Street Journal, August 6, 2020, <https://on.wsj.com/3OR1zHi>.

2 Government of Canada, Department of Finance, “Notice of intent to impose countermeasures action against the United States in response to tariffs on Canadian aluminum products,” last modified August 7, 2020, <https://bit.ly/2PMz1qM>.

3 Ana Swanson and Ian Austen, “Trump Reinstates Tariff on Canadian Aluminum,” August 6, 2020, <https://nyti.ms/344LakB>

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