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Update on Country Exemptions from U.S. Steel and Aluminum Tariffs

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On Thursday, the Trump Administration announced that the Section 232 tariffs on steel and aluminum imports would be temporarily suspended for imports from the following countries:

- Canada
- Mexico
- Argentina
- Australia
- Brazil
- South Korea
- European Union

This announcement came just ahead of today's implementation of the tariffs, amounting to 25% on all steel imports and 10% on all aluminum imports. We expect these temporary exemptions to be reflected in the President's final executive order concerning the tariffs.

It is not clear for how long the Trump Administration will allow steel and aluminum from these countries to be exempt from the tariffs. Canada and Germany are major suppliers of steel to the U.S. market but have both been included in the list of exempted countries. It is widely believed that the President will decide whether to continue the country-level exemptions based upon the outcomes of ongoing trade talks with each country. The President appears to be looking for trade concessions from the affected countries.

Japan is not included in the list of exempted countries. However, earlier this week, Japan's trade minister expressed the Japanese government's confidence that Japanese suppliers would be able to obtain product-specific exemptions from the tariffs for their "one-of-a-kind" steel and iron products.

China is not included in the list either. Yet, China is also the subject of a separate round of tariffs aimed at punishing Chinese policies that the U.S. Trade Representative has determined violate the intellectual property rights of American companies. The exact Chinese products affected by that newer tariff, authorized by Section 301 of the 1974 Trade Act, will not be known for another two weeks.

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