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Expansion of Section 232 Steel and Aluminum Tariffs

On February 10, President Trump issued Presidential Proclamations expanding Section 232 tariffs on steel and aluminum imports. Effective March 12, 2025, these actions significantly broaden the tariffs originally imposed in 2018 under Section 232 of the Trade Expansion Act of 1962, which authorizes the president to restrict imports that threaten US national security. The key updates include:

- Increasing tariffs to 25% for all covered products, including steel, aluminum, and their derivatives;
- Eliminating country exemptions, making the tariffs applicable to all nations;
- Ending the product exclusion process, including terminating existing exclusions and prohibiting new requests;
- Expanding tariff coverage to additional downstream steel and aluminum products; and
- Creating an exemption process for derivative articles made from steel “melted and poured” and aluminum “smelted and cast” in the United States.

The Proclamations, titled *Adjusting Imports of Aluminum into The United States* (Proc. 10895) and *Adjusting Imports of Steel into The United States* (Proc. 10896), confirm that all products currently subject to Section 232 tariffs remain covered, and tariffs now apply regardless of the foreign country of origin.

Steel and Aluminum Tariff Adjustments

The **Steel Proclamation** reinstates a 25% *ad valorem* tariff on steel imports from all countries, terminating previous alternative agreements with Argentina, Australia, Brazil, Canada, Mexico, the European Union, Japan, and the United Kingdom. The decision follows findings that prior measures were insufficient to address national security risks posed by steel imports.

The **Aluminum Proclamation** raises tariffs from 10% to 25%, citing continued high import levels and global excess capacity—particularly from China and South America—that have weakened US production and national security. It also eliminates alternative agreements with countries such as Argentina, Australia, Canada, Mexico, the European Union, and the United Kingdom, subjecting their aluminum exports to the revised tariff rate.

Tariffs on Steel and Aluminum Derivatives

When the original Section 232 tariffs were imposed on raw steel and aluminum in 2018, some foreign manufacturers and exporters shifted to selling derivative products—such as nails, bumpers, and wires—to avoid the tariffs on raw materials. Recognizing this, in 2020, the Administration included downstream (or derivative) products in the tariff scope, aiming to ensure that protective measures extended throughout the supply chain.

On February 14, 2025, annexes modifying and adding to the existing lists of derivative products were issued, imposing additional duties unless the derivative products are processed using US-origin aluminum or steel.

- The **25% tariff on steel derivatives** will not apply to products processed in another country from steel that was melted and poured in the United States. For derivative steel articles listed in Annex I that fall outside Chapter 73 of the HTSUS, the tariff applies only to the steel content.

- The **25% tariff on aluminum derivatives** will not apply to products processed in another country from aluminum that was smelted and cast in the United States. Similarly, for derivative aluminum articles in Annex I that are outside Chapter 76 of the HTSUS, the tariff applies only to the aluminum content.

Publication of the Presidential Proclamations

The Presidential Proclamations, including the annexes, are scheduled to be published in the *Federal Register* on February 18 and are currently available for public inspection.

- The **Aluminum Annex I**, containing derivative HTSUS codes, can be found on pages 19-20 **here**.

- The **Steel Annex I**, containing derivative HTSUS codes, can be found on pages 24-26 **here**.

If you have any questions or require assistance regarding upcoming potential tariffs or other international business or trade matters, please do not hesitate to contact our attorneys:

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