

# Overview of Section 232 Tariffs on Steel and Aluminum: What Importers Need to Know

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The implementation of new 25% Section 232 duties on steel, aluminum, and certain derivatives, effective March 12, 2025, which are in addition to any special rate of duty otherwise applicable, are affecting importers globally. Here is a breakdown of what these new tariffs entail:

## 1. Nature of Section 232 Tariffs and Interaction with Reciprocal Tariffs

On March 12, 2025, President Trump implemented 25% tariffs on steel and aluminum under Section 232 of the Trade Expansion Act of 1962. These duties, applied in addition to any existing special rates, aim to address national security concerns by bolstering domestic production. The additive nature of these tariffs has significantly raised the cost of imported steel and aluminum products, impacting budgets and pricing strategies for businesses reliant on these materials.

Subsequently, on April 5, 2025, the Trump Administration imposed a 10% baseline tariff on all imports to the United States, invoking the International Emergency Economic Powers Act (IEEPA) to address the national emergency posed by the persistent trade deficit. Building on this, the United States applied country-specific reciprocal tariffs as determined by the United States Trade Representative (USTR) which has been paused until July 9, 2025.

In its executive order, the Trump Administration explicitly excluded products already subject to Section 232 measures from the baseline and reciprocal tariff regime. Consequently, while Section 232 duties have increased the costs of imports like steel and aluminum, these products do not face additional tariffs under the reciprocal system as of this writing.

## 2. Immediate application and elimination of exemptions

These duties apply to imports made from March 12, 2025, onward. Notably, the new tariffs eliminate

previous country exemptions and tariff-rate quota agreements, and they terminate the product exclusion process. Consequently, no new exclusion requests will be accepted, and existing exclusions will expire without renewal.

For those reasons, imports from countries previously subject to country exemptions are now subject to these tariffs (*i.e.*, Australia, Canada, Mexico, the EU, the UK, Japan and South Korea).

However, we might see some country-specific bilateral trade agreements in due course that could exempt certain countries from these duties.

**3. Exemptions from Derivative Articles – No Duty Drawback**

Critically, the additional duties on derivative steel articles would exclude steel articles that are processed in a third country from steel that was melted and poured in the United States. The same exemption applies to derivative aluminum articles. This applies to all the listed derivative HTS codes to which the new Section 232 tariffs would otherwise apply, so businesses need to start mapping their suppliers’ supply chains for products in those codes to identify US content if they have not already done so.

Unfortunately, no duty drawback is available for these duties. Businesses that would reexport the listed products from the United States to third countries should consider rearranging their shipping so that listed products ultimately destined for third countries are shipped there directly and not imported first into the United States.

**4. Expansion of Previous Proclamations**

This trade action, via [presidential proclamation](#), is an expansion of President Trump’s previous proclamations from 2018, now covering all products and derivatives from the original proclamations plus additional derivative products. The 2025 proclamations rely on definitions of steel and aluminum articles from the 2018 proclamations.

For ease of reference, we provide all such descriptions and HTS codes of steel products and derivatives listed or linked below:

- Steel Products Subject to the 2018 (and thus 2025) 232 Tariffs
  - [Proclamation 9705](#) (Mar. 8, 2018) defined steel articles at the Harmonized Tariff Schedule (HTS) 6-digit level as: 7206.10 through 7216.50, 7216.99 through 7301.10, 7302.10, 7302.40 through 7302.90, and 7304.11 through 7306.90.
  - [Proclamation 9980](#) (Jan. 24, 2020) defined derivative steel articles as an article in which:
    - steel accounted for, on average, at least two-thirds of the product’s total material cost; and where
    - import volumes of such derivative article increased year to year in comparison to import volumes the preceding two years; and
    - import volumes of such derivative article exceeded the 4 percent average increase in the total volume of goods imported.
  - Those proclamations also included the following HTS codes:

HTS Heading	Product Type	Description	Source
7208, 7209, 7210, 7211,	Steel Product	Flat-rolled products	Proclamation 9705

7212, 7225, 7226			
7213, 7214, 7215, 7227, 7228	Steel Product	Bars and rods	Proclamation 9705
7216 (except subheadings 7216.61.00, 7216.69.00 or 7216.91.00)	Steel Product	Angles, shapes and sections of iron or nonalloy steel	Proclamation 9705
7217, 7229	Steel Product	Wire	Proclamation 9705
7301.10.00	Steel Product	Sheet piling	Proclamation 9705
7302.10	Steel Product	Rails	Proclamation 9705
7302.40.00	Steel Product	Fish-plates and Sole plates	Proclamation 9705
7302.90.00	Steel Product	Other products of iron or steel	Proclamation 9705
7304, 7306	Steel Product	Tubes, pipes and hollow profiles	Proclamation 9705
7305	Steel Product	Tubes and pipes	Proclamation 9705
7206, 7207, 7224	Steel Product	Ingots, other primary forms and semi-finished products	Proclamation 9705
7218, 7219, 7220, 7221, 7222, 7223	Steel Product	Products of stainless steel	Proclamation 9705
7317.00.30	Derivative Steel Product	Nails, tacks (other than thumb tacks), drawing pins, corrugated nails, staples (other than those of heading 8305) and similar articles of iron or steel, whether or not with heads of other materials (excluding such articles with heads of copper), suitable for use in powder-actuated handtools, threaded	Proclamation 9980
7317.00.5503, 7317.00.5505, 7317.00.5507, 7317.00.5560, 7317.00.5580, 7317.00.6560 only and not in other numbers of subheadings 7317.00.55 and 7317.00.65	Derivative Steel Product	Nails, tacks (other than thumb tacks), drawing pins, corrugated nails, staples (other than those of heading 8305) and similar articles of iron or steel, whether or not with heads of other materials (excluding such articles with heads of copper), of one piece construction, whether or not made of round wire	Proclamation 9980
8708.10.30	Derivative Steel Product	Bumper stampings of steel, the foregoing	Proclamation 9980

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comprising parts and accessories of the motor vehicles of headings 8701 to 8705

8708.29.21

Derivative Steel Product

Body stampings of steel, Proclamation 9980 for tractors suitable for agricultural use

- Additional Derivative Steel Products Subject to the 2025 232 Tariffs
  - The exact HTS codes of *additional* derivative steel products subject to the new tariffs are provided in pages 12-14 of [Proclamation 10896](#) (Feb. 10, 2025).
  - For any derivative steel article identified in Annex I of [Proclamation 10896](#) that is not in Chapter 73 of the HTSUS, the additional ad valorem duty shall apply only to the steel content of the derivative steel article.

## 5. Calculating Section 232 Tariffs on Steel and Derivative Steel Products

The calculation of these tariffs involves determining the value of the steel or aluminum content, which is:

- The total price paid or payable for the steel or aluminum content itself, excluding any costs related to transportation, insurance, and other services associated with the shipment from the country of exportation to the country of importation.
- This value is typically reflected in the invoice that the buyer pays to the seller for the steel or aluminum content.

Here are some scenarios considering the HTS codes above:

**SCENARIO 1**—If an article is identified in Proclamation 9705 or 9980, the Section 232 tariff will apply to the entire merchandise value.

- **Example:** A steel body stamping classified under HTS 8708.29.21 and thus classified under Proclamation 9980, has a value of \$100. The Section 232 tariff will be \$25.

**SCENARIO 2**— If the article is identified in new Proclamation 10896 and is in Chapter 73, the tariff again applies to the entire merchandise value.

- **Example:** A stainless steel pan classified under HTS 7323.93.00 has a value of \$100. Because the pan is identified by new Proclamation 10896 and is classified in Chapter 73, the value of the entire merchandise is subject to the 25% duty. Thus, the Section 232 tariff will be \$25.

**SCENARIO 3**— If the article is identified in new Proclamation 10896 but is not in Chapter 73, the tariff applies only to the steel content value.

- **Example:** A passenger elevator part classified under HTS 8431.31.00, with a steel content valued at \$75 out of a total \$100, will incur a tariff of \$18.75, because only the value of the steel content is subject to the 25% duty.

The implementation of these new Section 232 duties introduces significant changes for importers of

steel and aluminum products. Understanding the details of these tariffs and their implications is essential for businesses consider strategic adjustments within their supply chains to mitigate the impact of these new duties.

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