

Switzerland not yet exempted from US tariffs on steel and aluminum

Tariffs on steel (25%) and aluminum (10%) announced by President Trump on March 8 took effect today March 23, 2018. The European Union and six countries (Canada, Mexico, Argentina, Australia, Brazil and South Korea) are temporarily exempt from these tariffs.

Switzerland, together with other close partners of the USA like Japan and Norway, has not been temporarily exempted. All interested US partners including the now-exempted ones will have to submit a questionnaire by mid-April, detailing inter alia each country's trade developments, help in combatting unfair trade and over-capacity in steel and aluminum. The final decision of the president of the USA is expected at the end of April with many adjustments, hopefully also the exemption of Switzerland.

In parallel to countries' exemptions, individual companies producing or importing in the USA can apply for exemption on certain steel and aluminum products not or not sufficiently available in the USA. Details on the steel exemptions can be found on: <https://www.bis.doc.gov/index.php/232-steel> and on aluminum on: <https://www.bis.doc.gov/index.php/232-steel>.

Other excellent information is provided by seco https://www.seco.admin.ch/seco/de/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/wirtschaftsbeziehungen_ch_usa.html and economiesuisse <https://www.economiesuisse.ch/de/artikel/news-ticker-us-strafzoelle-auf-stahl-und-aluminium>

Future exemptions of countries and products will act retro-actively, i.e. such tariffs will be refunded in case of exemptions.

For the Swiss economy, the tariffs touch only about 3% of all steel and aluminum export, totaling approx. 0.04% of all exports. But it will hurt individual companies, and the secondary effects of value-chain disruption caused by such tariffs are not yet clear. And symbolically, it is a very unpleasant surprise that the EU has obtained a temporary exemption, but not Switzerland.

Swiss Amcham is of the opinion that imposing such unilateral tariffs is the wrong solution for this important and urgent issue. It especially regrets that Switzerland, the 6th largest investor in the USA and a close economic partner, has not been temporarily exempted. We hope and expect that this situation will be remedied soon and we will continue to watch the developments closely.

March 23, 2018

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