

## SA welcomes product exclusion for some steel, aluminium products

South Africa has welcomed the product exclusion for some steel and aluminium products from the section 232 duties that the United States imposed against foreign imports. The US Department of Commerce has granted product exemptions for imports of 161 aluminium and 36 steel products.



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The products that have been exempted for aluminium include aluminium foil and aluminium plates, sheets and strip. While in relation to steel, the products include hot rolled bars, hot rolled sheets, cold rolled sheets, plates cut and plates in coils.

The exemption of these products will contribute towards ensuring that jobs in companies producing these products are retained, trade and industry minister Rob Davies said this week.

He said they are a step towards normalising trade relations between South Africa and the US.

Currently, over 800 US companies are represented in South Africa and the trade between the parties is relatively balanced with total trade reaching R161.4bn in 2017.

“The exemption of some of the aluminium and steel lines confirms that South Africa remains a source of strategic primary and secondary products used in further value-added manufacturing in the US, does not threaten US national security and

contributes to jobs in both countries.”

## **Ad valorem tariffs on imports**

In March, President Trump signed a proclamation imposing a 10% ad valorem tariff on imports of aluminium articles and a 25% ad valorem tariff on imports of steel articles for national security purposes.

The product exemptions are applicable to companies whose buyers in the US made requests to the Commerce Department for the products to be excluded from the Section 232 duties.

South Africa made submissions to the US government requesting a country exemption from Section 232 duties. In addition, South Africa urged the domestic exporters of steel and aluminium to encourage their buyers and distributors to consider applying for product exemption.

In line with government’s commitment to remain engaged with the US authorities on the country exemption, Davies met with US trade representative ambassador Lighthizer and secretary of commerce Wilbur Ross on the margins of the AGOA Forum in July.

While South Africa welcomes this important relief to exports, Davies said government remains engaged with the US government and continues to request a country exemption.

“South Africa continues to encourage its domestic exporters to engage US buyers to consider requesting product exemption from Section 232 duties of all imports from South Africa.”

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