

Steel industry receives some relief following increased US tariffs

Government intervention, in the form of product-level exemptions on 36 steel and 161 aluminium tariff lines, following a decision by the United States to increase tariffs on steel and aluminium, has led to some relief for the local industry.



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President Cyril Ramaphosa said this when he responded to oral questions at the National Council of Provinces (NCOP) on Thursday last week. The president's comments come after the US government increased tariffs on steel and aluminium imports from several countries in March, citing national security concerns.

The US imposed the tariffs after what it cited as unfair trade practices by China, the European Union and other major trading partners. Meanwhile, South Africa has made submissions to US authorities on the matter.

"In response, the Department of Trade, Industry and Competition has presented a series of submissions to the US authorities to exclude our goods and products from these duties as South African exports do not pose a national security threat to the US," said the president.

In response to US President Donald Trump's decision to impose tariffs on imports into the US, several trade blocks like the

European Union, also imposed tariff increases on several imports from the US. These tariffs have been imposed on US products such as Harley-Davidson motorcycles, bourbon, peanuts, blue jeans, steel and aluminium.

Earlier this year, China also increased tariffs on several US products amounting to \$60bn.



Steel import duties a weapon in trade war, but inappropriate for SA industry

Gerhard Papenfus 15 Oct 2019



Impact on the global economy

President Ramaphosa said trade tensions have contributed to uncertainty and slow growth in the global economy.

This, he said, has negatively affected South Africa and many other countries.

“The decision by the United States to increase tariffs on steel and aluminium imports has had a direct impact on South Africa. We continue to raise our concerns about these duties with our US counterparts, particularly as it relates to the potential for job losses in South Africa.”

“More widely, we continuously encourage the large trading nations to seek resolution to their differences in appropriate multilateral trade forums and within the context of the rules-based trading system,” said Ramaphosa.

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