Aluminum Tariffs:

Section 232 Sets the Price, Classification Sets the Risk

A 50% duty reshapes costs but careful product classification can prevent additional tariffs

What are the Regulations?

Section 232 Tariff:

50% On Aluminum Products (Chapter 76) and Aluminum Derivatives (not classified in Chapter 76) *(effective June 4, 2025)*.

25% duty for products originating from the UK.

- Derivative products (e.g., nails, auto parts) pay **50%** duty only on aluminum content; other materials may face separate tariffs.

Reciprocal (IEEPA) Tariff and Section 232:

- Aluminum content will have the 50% Section 232 duty rate applied and be exempt from the reciprocal tariff.
- The non-aluminum content will not have the 50% Section 232 but will be eligible for the Reciprocal tariff assessed on the Country of Origin.
- Section 232 steel, aluminum and copper tariffs may apply concurrently to the same product.

What is Coming?

No immediate rate changes announced, but watch for:

Possible baseline tariff increase to 15–20%.

Risks around specific Section 232 product exclusions that could trigger reciprocal tariffs.

Strategic Insight:

- Precise HTS classification and clear documentation of aluminum and non-aluminum content in your products is critical.
- Consider sourcing from the U.S. or FTA partners (like USMCA) to mitigate the 50% duty or seek targeted exclusions if aluminum content in your product is minimal.

Automobile Tariffs:

Section 232 Takes Priority, But Classification Drives Costs

Duties now stack as high as 50%, but strategic assembly and documentation can limit exposure

What are the Regulations?

Section 232 Tariff (Effective April 3, 2025):

- Passenger Vehicles: **25%** Section 232 tariff plus baseline **2.5%**, totaling **27.5%**.
- Light Trucks (SUVs, crossovers, minivans, cargo vans): **25%** Section 232 tariff stacks on existing **25%** baseline, totaling **50%**.
- Temporary USMCA exemption: USMCA-compliant vehicles currently avoid the full Section 232 tariff; importers pay **25%** only on non-U.S. content.

Reciprocal (IEEPA) Tariff and Section 232:

When an imported product faces Section 232 tariffs on auto or auto parts, it will NOT be subject to Section 232 tariffs on aluminum, Section 232 tariffs on steel, Section 232 tariffs on copper, IEEPA tariffs on imports from Canada, Mexico, or Brazil

What is Coming?

- USMCA exemption status may evolve importers must track potential changes to the temporary exemption rules.
- Monitor ongoing trade talks (Mexico, China) for any tariff adjustments impacting automobile imports.

Strategic Insight:

High Section 232 duties strongly incentivize U.S. or USMCA-based vehicle assembly to reduce tariff costs significantly. Careful product classification (passenger vs. light trucks) is critical—classification alone can double your duty exposure. Automakers must rigorously document U.S.-origin content to maximize the temporary USMCA exemption benefit.

Auto Parts Tariffs:

Section 232 Dominates, but Classification is Crucial

Most parts now carry a 25% duty, but strategic sourcing and accurate HTS classification can protect your bottom line.

What are the Regulations?

Section 232 Tariff (Effective May 3, 2025):

25% on most imported auto parts (engines, transmissions, powertrain, electrical components).

Special UK exception:

10% 10% duty for UK-made parts used specifically in **UK-origin** vehicles.

- Temporary USMCA exemption: Currently no tariff until CBP finalizes procedures; afterward, the **25%** duty will apply only to the non-U.S. portion of USMCA-qualified parts.

Reciprocal (IEEPA) Tariff and Section 232:

When an imported product faces Section 232 tariffs on auto or auto parts, it will NOT be subject to Section 232 tariffs on aluminum, Section 232 tariffs on steel, Section 232 tariffs on copper, IEEPA tariffs on imports from Canada, Mexico, or Brazil

What is Coming?

- CBP clarification pending: Final procedures expected soon to apply Section 232 duties only to the non-U.S. content of USMCA-qualified parts.
- Ongoing Risk: Parts classified outside Section 232 scope remain exposed to a possible reciprocal tariff increase if baseline rates rise to 15–20%.

Strategic Insight:

Detailed HTS classification audits are critical. Verify precisely which parts fall under Section 232 and which don't to ensure proper classification and duty assessment.

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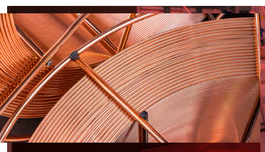
TARIFFS IN MOTION

What's Law, What's Next, and What You Should Do

Tariffs are reshaping the global cost structure and the changes are hitting fast. As of August 1, 2025, new and expanded duties are in effect on key industrial products like aluminum, steel, copper, automobiles, and auto parts. But more tariff shifts are on the horizon, and knowing which products are protected under Section 232 and which are exposed to reciprocal or baseline rates can make or break your landed cost strategy. This infographic gives you a clear view of what's already law, what's coming next, and the smart moves your supply chain should make now.



Copper Tariffs:

New 50% Duty Arrives, Precision Matters

Semi-finished and copper-intensive goods now carry significant tariffs; careful content valuation and classification are critical

What are the Regulations?

Section 232 Tariff (Effective August 1, 2025):

50% tariff on semi-finished copper products (pipes, wires, rods, sheets, tubes) and copper-intensive derivative goods (pipe fittings, cables, connectors, electrical components).

- Only copper content is dutiable; non-copper value subject to baseline or reciprocal duties.
- Fully exempt: Copper ores, concentrates, cathodes, and scrap remain tariff-free.

Reciprocal (IEEPA) Tariff and Section 232:

- Copper content will have the 50% Section 232 duty rate applied and be exempt from the reciprocal tariff.
- The non-copper content will not have the 50% Section 232 but will be eligible for the Reciprocal tariff assessed on the Country of Origin.
- Section 232 steel, aluminum and copper tariffs may apply concurrently to the same product

What is Coming?

- CBP clarification pending: Final procedures expected soon to apply Section 232 duties only to the non-U.S. content of USMCA-qualified parts.
- Ongoing Risk: Parts classified outside Section 232 scope remain exposed to a possible reciprocal tariff increase if baseline rates rise to 15–20%.

Strategic Insight:

Detailed HTS classification audits are critical. Verify precisely which parts fall under Section 232

Prioritize U.S. or USMCA suppliers to minimize duty exposure.

Steel Tariffs:

Section 232 Escalates, Navigating the New Cost Reality

Now at 50%, tariffs reshape sourcing decisions meticulous content tracking and strategic sourcing can protect your margins

What are the Regulations?

Section 232 Tariff (Effective June 4, 2025):

50% On Steel Products (Chapter 73) and Steel Derivatives (not classified in Chapter 73) *effective June 4 2025*

25% 25% duty for products originating from the UK.

Derivative products (e.g., nails, wire hangers, plow blades) pay the 50% duty only on steel content; non-steel portions face baseline or reciprocal tariffs separately.

Reciprocal (IEEPA) Tariff and Section 232:

- Steel content will have the 50% Section 232 duty rate applied and be exempt from the reciprocal tariff.
- The non-steel content will not have the 50% Section 232 but will be eligible for the Reciprocal tariff assessed on the Country of Origin.
- Section 232 steel, aluminum and copper tariffs may apply concurrently to the same product.

What is Coming?

- Ongoing Inclusion/Exclusion Decisions: CBP processes could alter which products are shielded by Section 232—monitor closely for changes.
- Potential Baseline Increase: Watch for an MFN baseline tariff increase (15–20%), affecting steel items outside the §232 list.

Strategic Insight:

- Precise HTS classification and clear documentation of steel and non-steel content in your products is critical.
- Explore sourcing from U.S. mills or FTA partners to significantly reduce tariff exposure.

What Should You Do?

Tariff policy has changed, your landed cost strategy should, too.

With Section 232 duties now stacking up to 50% on steel, copper, aluminum, autos, and auto parts, and reciprocal tariffs creating hidden costs for non-covered goods, the stakes are high. Whether your exposure is direct or indirect, understanding what's shielded and what's not is now a strategic advantage.

Here's what supply chain leaders need to do next:

1 *Audit Classifications & HTS Codes*

→ Make sure your products fall under the correct tariff category misclassification can cost you 10–50% overnight.

2 *Separate Dutiable vs. Non-Dutiable Content*

→ For mixed-material goods (like wire harnesses or derivative parts), precise valuation can prevent overpayment.

3 *Leverage USMCA, FTAs & Duty Drawback*

→ Certified origin and U.S.-content documentation can lower Section 232 exposure or allow refunds.

4 *Restructure Sourcing & Assembly*

→ Move from finished imports to unfinished or U.S.-assembled goods to avoid the harshest tariffs.

5 *Stay Alert to Updates*

→ Tariff lists and exemption rules are evolving. Missing a change could mean unnecessary costs or compliance risk.

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