

International Trade and Customs Newsletter May 20, 2019

Elimination of tariffs imposed by the United States of America on Mexican and Canadian Steel and Aluminum under Section 232, and retaliatory measures by Canada and Mexico.

On May 19, 2019, the President of the United States published the "Proclamation on Adjusting Imports of Steel into the United States" and the "Proclamation on Adjusting Imports of Aluminum into the United States," whereby Mexico and Canada were excluded from the tariffs imposed on steel and aluminum for representing a threat to U.S. national security (Section 232 measures).

Accordingly, today the President of Mexico published in the Federal Official Gazette a Decree modifying the Decree published on June 5, 2018 (see [here](#)), thus eliminating the retaliatory measures imposed on U.S. goods as a response to Section 232 measures.

Consequently, as of May 20, 2019, the retaliatory measures will no longer be in force and U.S. goods listed in the Decree of June 5, 2018, may be imported into Mexico under North American Free Trade Agreement (NAFTA) preferential treatment.

The elimination of both measures (Section 232 and the retaliatory measures) derives from the discussions between the NAFTA countries on alternative means to address the alleged threat to national security posed by imports from Canada and Mexico.

According to the "Joint Statement by the United States and Mexico", the Parties:

- Eliminate the measures.
- Will terminate all pending litigation in the World Trade Organization.
- Implement measures to prevent importation under unfair trade competition (dumping or subsidies); and transshipment of non-originating steel and aluminum.
- Establish consultations in case imports of steel and aluminum "surge meaningfully beyond historic volumes of trade on a period of time".

The elimination of these measures is good news for the pending ratification of the United States, Mexico and Canada Agreement (USMCA), since those were the greatest obstacles standing between the Parties.

Our team of experts in foreign trade and customs is closely monitoring this matter and will keep you updated on the USMCA ratification and the effects this will have on your international trade operations.

Sánchez Devanny es una firma de abogados líder en México que brinda asesoría legal integral a clientes mexicanos y extranjeros.

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