

Special Interest Articles:

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1106 Kansas Street, Memphis Tennessee
Phone: (270) 331-0578
Fax: (901) 774-1308

Section 232 Trade Expansion Act (Tariffs)

In 1947, 23 nations signed the General Agreement on Tariffs and Trade (GATT). To get an agreement on GATT the drafters had to include an escape clause: If imports threaten national security, the importing country can levy tariffs on those products. Section 232 allows the president to initiate an investigation to determine whether our security is threatened by imports.

On February 16, 2018 Commerce Secretary Wilbur Ross released reports on the U.S. Department of Commerce's investigations into the impact on our national security from imports of steel and aluminum. His findings are; the quantities and circumstances of steel and aluminum imports threaten to impair the national security as defined by Section 232. A synopsis of the key findings follows:

1. The US is the world's largest importer of steel. Our imports are nearly four times our exports.
2. Six basic oxygen furnaces and four electric furnaces have closed since 2000.
3. World steelmaking capacity is up 127% from 2000.
4. China is by far the largest producer and exporter of steel, and the largest source of excess steel capacity. Their excess capacity alone exceeds the total U.S. steel-making capacity.

5. On an average month, China produces nearly as much steel as the U.S. does in a year.
6. AS of February 15, 2018, the U.S. had 169 antidumping and countervailing duty orders in place on steel, of which 29 are against China.

Secretary Ross recommends:

1. A global tariff of at least 24% on all steel imports from all countries, or
2. A tariff of at least 53% on all steel imports from 12 countries (Brazil, China, Costa Rica, Egypt, India, Malaysia, Republic of Korea, Russia, South Africa, Thailand, Turkey and Vietnam) with a quota by product on steel imports from all other countries equal to 100% of their 2017 exports to the United States, or
3. A quota on all steel products from all countries equal to 63% of each country's 2017 exports to the United States.

The President, on March 8, 2017, signed the tariff of 25% on all steel and 10% on all aluminum, exempting Canada and Mexico.

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nlockard@trumboinc.com

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However, Mexico and Canada might be included in the tariff unless there are changes made in the North American Free Trade Agreement. The tariffs are scheduled to go into effect in March 2018.

President Trump also stipulated the tariffs can be modified for other countries.

Naturally, prices will increase for most steel products. However, the biggest issue I am having with the Section 232 is obtaining FIXED DOLLAR quotes. Currently, the pricing I am receiving on steel products is as follows: " **Price is valid until close of business today**".

Please bear with us until this issue has stabilized.

NON FERROUS SURCHARGE CHART

Prices for Stainless are up (↑) for April deliveries. Nickel Prices are (↓) down slightly in April and take a big jump in May. Remember, this chart is for surcharge only, it does not include the base price for materials.

Base prices are up (↑) approximately 25-30% for both Stainless and Nickel.

With the Tariff war, Trumbo is being quoted prices in effect until the end of the day. Hopefully, this issue will be rectified in the near future.

Alloy	Jan	Feb	March	April	May	June	July	Aug	Sept
2205	0.702	0.8158	0.8859	0.9965					
304 CLAD	0.3626	0.3558	0.3776	0.4271					
304/304L	0.5511	0.6066	0.6502	0.729					
304H	0.5511	0.6066	0.6502	0.729					
304LN	0.5511	0.6066	0.6502	0.729					
304N	0.5511	0.6066	0.6502	0.729					
309/309S/309H	0.7336	0.8131	0.8785	0.9722					
310/310S	1.008	1.1297	1.2333	1.3389					
316/316L	0.746	0.8643	0.946	1.0358					
316LN	0.746	0.8643	0.946	1.0358					
316Ti	0.7686	0.8898	0.9742	1.066					
317/317L	0.8705	1.0197	1.1205	1.2244					
AL-6XN Plus	1.5604	1.5424	1.6759	1.6253	1.994				
alloy 20	1.7049	1.7109	1.9075	1.7805	2.1036				
AL-200 TM	3.2381	3.2872	3.8015	3.487	4.2799				
Al-400 TM	2.5286	2.5921	2.9235	2.72	3.2672				
Al-600 Tm	2.6449	2.6794	3.0531	2.7853	3.3635				
Altemp 625 In	4.5371	4.5376	5.0202	4.8678	5.5352				
Alloy 276	4	4.166	4.4784	4.4253	5.262				

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