

# U.S. announces tariffs on all steel and aluminum imports

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*Torys' Canadian and New York offices will be providing [regular briefs](#) on the legal ramifications of the tariffs and other cross-border policy developments on the horizon.*

President Trump has announced a 25% tariff on all imports of steel and aluminum entering the United States, including from Canada, “without exceptions or exemptions”. The tariffs come into effect on March 12, 2025. Prime Minister Trudeau stated Canada will give a “firm and clear” response, but no details of retaliatory measures have been publicized.

No duty drawback will be available for these tariffs based on the announcement. Duty drawbacks allow for the refund of duties, taxes, and fees paid on imported goods that are subsequently exported. This could have a significant impact on Canadian businesses engaged in steel and aluminum supply chains that cross and re-cross the border for processing or sale.

### **Will there be exemptions from the 25% tariff on steel and aluminium?**

Notwithstanding the initial announcement, President Trump subsequently indicated he is considering an exemption for Australia. It remains to be seen whether any exemptions will in fact be granted and, if so, on what terms.

In 2018, President Trump imposed tariffs of 25% on steel and 10% on aluminum imports from Canada. The Canadian government responded with retaliatory tariffs on U.S. goods. U.S. tariffs had significant impacts on the Canadian steel and aluminum industries. Canadian exports of these metals to the U.S. dropped sharply, with steel exports decreasing by nearly 40% and aluminum by a substantial margin. The tariffs led to increased costs for Canadian producers in a variety of industries and disrupted supply chains, particularly affecting sectors like automotive and construction that rely heavily on these materials. The costs of the tariffs were largely passed down to customers and consumers in the United States.

### **How can businesses prepare?**

Businesses can prepare by reviewing existing agreements to determine which party is responsible for tariffs and whether there are mechanisms for recovering those costs or modifying supply or delivery terms. For agreements that are currently in the process of being negotiated, companies will want to consider addressing the potential impact of these and future tariffs explicitly.

Many companies are considering diversifying their supply chains by sourcing materials from different jurisdictions to ensure resiliency. Additionally, businesses should conduct a thorough risk assessment to understand their exposure to impacts from the tariffs and develop a comprehensive mitigation strategy—both on the supply and demand sides of their business. This could include exploring alternative markets, adjusting pricing strategies, and enhancing operational efficiencies.

Businesses may also wish to also engage with industry associations and government representatives to advocate for interests and seek potential relief measures.

Read more [Tariffs and trade briefs](#).

#### FOOTNOTE

*To discuss these issues, please contact the author(s).*

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