Tariff war continues: Government seeks public input for trade measures on steel and aluminum

March 31, 2025

On March 22, 2025, the Government of Canada launched a public consultation on possible trade measures to protect against the threat of diversion of steel and aluminum products from third countries into the Canadian market. The move is in response to what the government considers severe overcapacity in the global steel market (worsened by recent U.S. tariff measures), artificially depressing prices and threatening domestic industry.

Background

Pursuant to section 232 of the U.S. *Trade Expansion Act of 1962*, the U.S. began applying a 25 per cent tariff on imports of steel and aluminum from all countries, including Canada, on March 12, 2025. This is on top of the 25 per cent the U.S. imposed on all Canadian-origin goods under the U.S. *International Emergency Economic Powers Act*, meaning that Canadian steel and aluminum exports to the U.S. will be subject to a combined 50 per cent tariff.

It is Canada's view that these measures increase the risk of steel products flooding the Canadian market. In response, Canada imposed 25 per cent reciprocal tariffs on U.S. steel and aluminum. Canada imposed a similar tariff against Chinese steel and aluminum in October 2024 in response to what it viewed as a state-directed policy of overcapacity and oversupply.

Information sought

As this untenable trade situation evolves, the government is seeking input from the domestic steel industry and other stakeholders in the following areas:

- The scope of steel products that could be covered by a potential import measure (including recommended product groupings, product descriptions, and the applicable tariff classifications);
- Evidence that demonstrates increased imports, or the threat of increased imports, of the identified steel products (by product or product group, if possible);

- Evidence that imports are harming or threatening to harm domestic producers, such as job losses, reduced profitability, lost market share (by product or product group, if possible);
- Views on imports from specific countries or regions;
- Commercial and economic impacts of any potential measures (*e.g.*, sourcing considerations, regional availability);
- Views on the design, duration, and administration of any potential measures (*e.g.*, proposed tariff rates and/or tariff-rate quota volumes);
- Views on the use of specific trade policy tools; and
- Any additional substantiating information relevant to consideration of potential measures.

Have your say!

Businesses and individuals affected by steel and aluminum-related trade measures should seriously consider partaking in these consultations.

The deadline for making submissions is **April 21, 2025**. This deadline is fast approaching, however, BLG's International Trade & Investment team has the experience and expertise to assist in preparing effective submissions and policy proposals.

By

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