



## **US tariffs on steel, aluminum 'unacceptable': Canada**

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Washington, March 2 (IANS) Following the US President Donald Trump's announcement that he would impose tariffs on the importation of steel and aluminum products, Canada on Thursday termed the decision as "unacceptable", vowing to take "responsive measures".

Trump said on Thursday that he would impose 25 per cent of tariff on steel imports and 10 per cent for aluminum to protect the US industry. However, experts said it could hurt US producers and face legal challenges from trade partners.

"As a key NORAD (North American Aerospace Defense Command) and NATO ally, and as the number one customer of American steel, Canada would view any trade restrictions on Canadian steel and aluminum as absolutely unacceptable," Xinhua quoted Canadian Foreign Minister Chrystia Freeland as saying.

In a meeting with business executives, Trump said: "We'll be signing it next week. And you'll have protection for a long time in a while."

News of the tariffs immediately hit sentiment on the Wall Street, with the Dow slumping over 500 points, more than two per cent, in late trading.

Daniel Ikenson, a senior fellow at the Cato Institute, said that trade restrictions could hurt US producers by exposing them to competitions from foreign rivals with lower production costs capable of offering lower prices in the US market.

US actions would face legal challenge by other World Trade Organization members, and they would also invite other members to invoke national security to protect favoured industries, said Ikenson.

European Union (EU)'s trade chief Cecilia Malmstrom has said that EU would seek retaliation measures if the Trump administration's 232 trade investigation brings damage to European steelmakers.

It's still unknown whether Trump's announcement on Thursday refer to blanket tariffs for all countries.

In April last year, Trump ordered the Commerce Department to study the impact of steel and aluminum imports on national security under seldom-used section 232 of the 1962 Trade Expansion Act.

Two weeks ago, the Commerce Department unveiled its recommendations for Trump to restrict imports of steel and aluminium products due to national security concerns, which drew opposition from US lawmakers and businesses.

According to the recommendations, the US could introduce at least 24 per cent tariff on all steel imports from all countries and at least 7.7 per cent tariff on all aluminium imports from all countries.

Trump's announcement on Thursday was higher than both recommendations.