



You've probably heard a lot about trade on the news lately. What does it all mean? How do these issues impact GM? Well, we asked our team to break it all down for you:

Overview

The U.S. Administration has been working on a series of actions to address trade relations between the United States and its trading partners. As these actions are being considered and implemented, GM has been working to understand the potential implications since the company's global supply chain is very complex and integrated. GM will continue to engage in discussions with government officials on these issues as the company assesses any potential impact. Below is a list of trade actions GM is watching:

NAFTA

The North American Free Trade Agreement (NAFTA) between the United States, Canada and Mexico was implemented in 1994, and has helped the U.S. auto industry remain competitive in the global marketplace. The three countries have been working to modernize the agreement, including the automotive rules of origin that govern what percentage of a car needs to be built in the NAFTA region to avoid tariffs. Negotiations have stalled, but GM and other automakers are continuing to advocate for the three countries to come to an agreement and modernize NAFTA in a way that builds on North America's success as a manufacturing powerhouse.

232 U.S. Auto Investigation

President Trump ordered a 25% tariff on steel and 10% tariff on aluminum, under Section 232 of the Trade Expansion Act of 1962, citing elevated imports of both commodities and the contraction of the U.S. production as a threat to U.S. national security. Although initially exempted by the tariffs, Canada, Mexico and the European Union (EU) had the tariffs applied to their U.S. steel and aluminum exports on June 1, prompting the three U.S. trade partners to retaliate with tariffs of their own on U.S. exports of raw materials and agricultural products. Mexico's tariffs are already in effect and the EU and Canada will implement their tariffs on July 1. GM purchases much of the steel and raw aluminum for its U.S. operations from domestic sources. Sharp increases in commodity prices from the U.S. tariffs and the resulting reciprocal tariffs from Canada, Mexico, and the EU are areas of concern for GM's global business.

232 U.S. Steel and Aluminum Tariffs

President Trump ordered a 25% tariff on steel and 10% tariff on aluminum, under Section 232 of the Trade Expansion Act of 1962, citing elevated imports of both commodities and

the contraction of the U.S. production as a threat to U.S. national security. Although initially exempted by the tariffs, Canada, Mexico and the European Union (EU) had the tariffs applied to their U.S. steel and aluminum exports on June 1, prompting the three U.S. trade partners to retaliate with tariffs of their own on U.S. exports of raw materials and agricultural products. The tariffs are already in effect for Mexico and the EU, and Canada will implement its tariffs on July 1. GM purchases much of the steel and raw aluminum for its U.S. operations from domestic sources. Sharp increases in commodity prices from the U.S. tariffs and the resulting reciprocal tariffs from Canada, Mexico, and the EU are areas of concern for GM's global business.

U.S.-China Trade Relations

The United States confirmed plans on June 15 to implement 25% tariffs on \$50 billion worth of Chinese goods—some of which will go into effect on July 6. Additionally, President Trump directed on June 18 that another \$200 billion worth of Chinese goods be identified for 10% tariffs in response to China's announcement that it would respond in kind to the United States' tariffs. The United States is looking to decrease its trade deficit in goods with China and address concerns over IP theft and forced tech transfer in specific industries. China is an important market for GM and the largest in terms of retail sales (4 million vehicles sold in 2017). GM supports a positive trade relationship between the United States and China, and continues to urge both countries to engage in constructive dialogue.

[LEARN MORE](#)

FOR EMPLOYEES: JOIN THE GM ENGAGE YAMMER GROUP

Sign up today so GM Engage can stay better connected with you.

[SIGN UP HERE](#)

RESOURCES



NAFTA Infographic

Check out our NAFTA infographic which outlines GM's footprint across North America



DOWNLOAD

NAFTA Tele-Town Hall

Brush up on the NAFTA negotiation process with our 2017 NAFTA Tele-Town Hall

[Listen Here](#)

[VIEW ALL RESOURCES](#)

[Privacy Policy](#) [Disclaimer](#) [Contact Us](#)

© 2018 General Motors