

TARIFFS HURT AMERICAN MARINE MANUFACTURERS



ALUMINUM & STEEL

The U.S. has imposed 25% global tariffs on steel and 10% global tariffs on aluminum under Section 232 of the Trade Act of 1974 (threat to national security). The tariffs apply to processed raw materials (steel/aluminum plate, sheets, bars, etc.). Aluminum is a primary raw material used in 44% of annual new boat sales.

Most of the tariffs began on June 1, 2018, with Argentina, Australia, Brazil, and South Korea exempted based on trade agreements. Canada and Mexico were added to the exemption list on May 20, 2019.



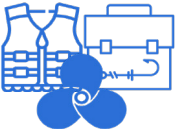
EUROPEAN UNION RETALIATORY TARIFFS

The European Union was not exempted from Section 232 steel and aluminum tariffs and subsequently applied 25% retaliatory tariffs on a range of U.S. products, including all U.S. boats and engines. Engines are not separately tariffed, but the 25% tariff rate is applied to boat and engine packages.



U.S. COUNTERVALING & ANTI-DUMPING DUTIES

The U.S. imposed countervailing and anti-dumping duties on Chinese common alloy aluminum sheet. The duties range from 96.3% to 176.2%.



SECTION 301 TARIFFS ON CHINESE IMPORTS

Section 301 tariffs on Chinese imports are affecting more than 350 commonly used marine components, materials, and parts:

- ▶ **Lists 1-3 - 25% on \$250 billion (currently in effect):** Includes anchors, antenna receivers, boats, fiberglass, fish finders, fuel injection pumps, GPS devices, propellers, rope, seats, trailer tires, and miscellaneous plastic, metal, and rubber parts for boat equipment.
- ▶ **List 4A - 15% tariffs on \$112 billion (currently in effect):** Includes floating docks, some fishing gear and tackle, and wake sport equipment.
- ▶ **List 4B - 15% tariffs on \$160 billion (effective on 12/15/19):** Includes life jackets, personal floatation devices, and some fishing gear and tackle.



CHINESE RETALIATORY TARIFFS

China applied 5-10% retaliatory tariffs on all U.S. boats and engines in response to U.S. Section 301 tariffs.