

Position paper of the tool industry association on the U.S. punitive tariffs

The FWI is committed to abolishing the punitive tariffs imposed by the U.S. government on certain categories of tools on imports into the USA.

The United States of America is traditionally the country with the highest exports for the German tool industry, ahead of the European EU member countries, such as France.

The punitive tariffs, which currently account for 25 %, are therefore a huge burden for our industry, which will lead to job losses in the long run, because German tools are losing competitiveness in the USA and bringing some manufacturers with high US exports to economic difficulties.

We therefore call for the suspension of special duties on hand tools for the following reasons:

- The punitive tariffs against German tools are not fair and do not correspond to the spirit of free trade on which the Western world has agreed.
- The punitive duties are officially a response to inadmissible subsidies for Airbus. The manufacturers of hand tools and similar products affected by the punitive duties have no connection with Airbus. It is therefore to be suspected that the punitive tariffs serve rather to foreclose the US market against German imports and are solely in the interest of US manufacturers of hand tools, some of which have close ties with US President Donald Trump.
- The German producers concerned are traditional, serious, rather conservative family businesses that have not received or benefited from illegal subsidies.
- The companies affected by the punitive tariffs have no political influence on the Federal Government and the EU. Therefore, putting pressure on these companies cannot help to resolve the conflict over the Airbus subsidies.
- In some cases, the tools affected by the punitive duties are special tools which cannot be replaced by other suppliers. The punitive tariffs are therefore passed on to American consumers and burdened by price increases.
- In addition to American companies, manufacturers from other countries, including European countries with Airbus locations, also benefit.
- It is not to be expected that German tool manufacturers will relocate their production to the USA due to the punitive tariffs and create jobs there. Most of the companies concerned are too small for such an investment. In addition, the punitive duties also apply to parts of tools. Production in the USA would therefore only make sense with a very high production depth.

Conclusion: The tariffs on German tools meet the wrong target group and do not contribute to the solution of the Airbus conflict or to the creation of jobs in the USA.

Annex

Affected hand tools from the support area of the FWI:

(Source: Corrected Descriptive List of Action, Reflecting Changes as Described in Annex 1 of the Notice Published at 85

FR 10204 (February 21, 2020)

Part 11 (Products of Germany which are subject to additional import duties of 25 percent ad valorem):

- 8201.40.60 Axes, bill hooks and similar hewing tools (other than Machetes), and base metal parts thereof
- 8203.20.20 Base metal tweezers
- 8203.20.60 Pliers (including cutting pliers but not slip joint pliers), Pincers and similar tools
- 8203.30.00 Metal cutting shears and similar tools, and base metal parts thereof
- 8203.40.60 Pipe cutters, bolt cutters, perforating punches and similar tools, and base metal parts thereof
- 8205.40.00 Screwdrivers and base metal parts thereof
- 8211.93.00 Knives having other than fixed blades
- 8211.94.50 Base metal blades for knives having other than fixed blades
- 8467.19.10 Tools for working in the hand, pneumatic, other than rotary type, suitable for metal working
- 8467.19.50 Tools for working in the hand, pneumatic, other than rotary type, other than suitable for metal working

and

Section 2 (products that are considered for additional import duties):

- 8203.20.40 Slip joint pliers.

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