

# Trade Agreement Overview

---

## Summary of Key Trade Agreements and Their Impact on the Metals Industry

### Table of Contents

1. Introduction
2. Major Global Trade Agreements
3. Regional Trade Agreements
4. Bilateral Trade Agreements
5. Trade Agreement Benefits for the Metals Industry
6. Compliance Requirements
7. Certificate of Origin Requirements
8. Preferential Tariff Treatment
9. Future Developments
10. References and Resources

### 1. Introduction

International trade agreements establish the rules and conditions for trade between countries, including tariff reductions, non-tariff barriers, dispute resolution mechanisms, and other trade facilitations. This overview examines major trade agreements affecting the metals industry and provides guidance on leveraging these agreements for business advantage.

## 2. Major Global Trade Agreements

### Regional Comprehensive Economic Partnership (RCEP)

**Participating Countries:** 15 countries including China, Japan, South Korea, Australia, New Zealand, and the 10 ASEAN nations

**Key Features for Metals Industry:** - Tariff reductions on 90% of goods traded between member countries - Simplified customs procedures - Regional rules of origin allowing cumulation of origin among members - Minerals and metals see tariff eliminations on approximately 65-80% of products

**Implementation Date:** January 1, 2022 (varies by country)

### United States-Mexico-Canada Agreement (USMCA)

**Participating Countries:** United States, Mexico, Canada

**Key Features for Metals Industry:** - Enhanced rules of origin for steel and aluminum (70% North American content requirement) - Steel must be “melted and poured” in North America to qualify for preferential treatment - Expanded customs cooperation to prevent transshipment - Improved protection of intellectual property

**Implementation Date:** July 1, 2020

### Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

**Participating Countries:** Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam

**Key Features for Metals Industry:** - Elimination of tariffs on most metal products - Restrictions on export controls and taxes - Improved rules for state-owned enterprises - Enhanced regulatory coherence

**Implementation Date:** December 30, 2018 (first group of ratifications)

## **African Continental Free Trade Area (AfCFTA)**

**Participating Countries:** 54 African Union member states

**Key Features for Metals Industry:** - Gradual elimination of tariffs on 90% of goods - Focus on mineral resource development and value addition - Potential for unified mining policies - Improved intra-Africa supply chains for metals and minerals

**Implementation Date:** January 1, 2021

## **World Trade Organization (WTO) Agreements**

**Participating Countries:** 164 member countries

**Key Features for Metals Industry:** - Most Favored Nation (MFN) treatment - General Agreement on Tariffs and Trade (GATT) principles - Trade facilitation measures - Anti-dumping and countervailing measures affecting metals

## **3. Regional Trade Agreements**

### **European Union (EU)**

**Member States:** 27 European countries

**Key Features for Metals Industry:** - Free movement of goods within the EU - Common external tariff - EU Emissions Trading System affecting metals production - REACH regulations for chemicals and metals

### **Association of Southeast Asian Nations (ASEAN) Free Trade Area**

**Member States:** Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam

**Key Features for Metals Industry:** - Tariff reductions through the Common Effective Preferential Tariff scheme - Simplified customs

procedures - ASEAN Industrial Cooperation Scheme - Regional value chains for electronics and automotive sectors that consume metals

## **Eurasian Economic Union (EAEU)**

**Member States:** Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia

**Key Features for Metals Industry:** - Common market for goods, services, capital, and labor - Coordinated policies in key economic sectors including metallurgy - Common technical regulations and standards - Significant metal producer group with focus on steel and aluminum

## **4. Bilateral Trade Agreements**

### **EU-Japan Economic Partnership Agreement**

**Key Features for Metals Industry:** - Elimination of tariffs on metals and metal products - Regulatory cooperation on standards - Enhanced protection of geographical indications

### **Australia-United Kingdom Free Trade Agreement**

**Key Features for Metals Industry:** - Immediate tariff elimination on most metals and minerals - Enhanced digital trade provisions - Provisions for environmental standards in mining

### **United States-Korea Free Trade Agreement (KORUS)**

**Key Features for Metals Industry:** - Elimination of tariffs on most industrial goods - Strong intellectual property protections - Enhanced investor-state dispute settlement provisions

## **5. Trade Agreement Benefits for the Metals Industry**

### **Tariff Reductions and Eliminations**

- Reduced or eliminated import duties on raw materials, semi-finished, and finished metal products
- Enhanced competitiveness in export markets
- Lower costs for cross-border supply chains

### **Non-Tariff Benefits**

- Simplified customs procedures
- Harmonized technical standards and regulations
- Enhanced protection of intellectual property rights
- Improved market access and investment opportunities
- Dispute resolution mechanisms

### **Supply Chain Optimization**

- Strategic sourcing from preferential trade partners
- Regional value accumulation for rules of origin compliance
- Cross-border processing arrangements

## **6. Compliance Requirements**

### **Rules of Origin**

- Specify criteria for determining the national source of products
- Critical for accessing preferential tariff treatments
- Typically require minimum local content percentages
- May require specific production processes to be performed locally

### **Documentation Requirements**

- Commercial invoice
- Bill of lading or airway bill

- Certificate of origin
- Packing list
- Import/export declarations
- Technical certifications when applicable

## **Recordkeeping**

- Origin qualification documentation
- Production records
- Supplier certifications
- Transaction records
- Typically required for 5 years

# **7. Certificate of Origin Requirements**

## **Types of Certificates**

- Self-certification (e.g., USMCA)
- Authorized exporter certification (e.g., EU agreements)
- Third-party certification (e.g., Chambers of Commerce)
- Electronic certification systems

## **Key Information Required**

- Exporter and importer details
- Description of goods and HS classification
- Origin criterion met
- Authorized signature or electronic authentication
- Date of certification

## **Verification Process**

- Post-importation verification by customs authorities
- Site visits to exporters/producers
- Document reviews
- Laboratory analysis when applicable

## 8. Preferential Tariff Treatment

### Claiming Process

- Include claim on import declaration
- Submit valid certificate of origin
- Maintain supporting documentation
- Apply within specified timeframes

### Common Pitfalls

- Incorrect HS classification
- Insufficient transformation or local content
- Improper documentation
- Failure to maintain adequate records
- Direct transportation rule violations

### Best Practices

- Regular review of origin qualification
- Training for staff involved in origin determination
- System automation where possible
- Supplier management and certification
- Pre-verification before claiming preferences

## 9. Future Developments

### Ongoing Negotiations

- China-Gulf Cooperation Council FTA
- EU-Australia FTA
- EU-India FTA
- Pacific Alliance-Singapore FTA

### Emerging Trends

- Digital trade provisions
- Environmental and labor standards

- Supply chain resilience measures
- Climate change considerations
- Anti-corruption provisions

## **Implications for Metals Industry**

- Greater emphasis on sustainable production
- Carbon border adjustment mechanisms
- Traceability requirements
- Focus on critical minerals security

# **10. References and Resources**

## **Official Trade Agreement Texts**

- WTO Regional Trade Agreements Database
- National trade ministry websites
- Trade agreement secretariats

## **Industry Associations**

- World Steel Association
- International Aluminium Institute
- International Copper Association
- Nickel Institute

## **Government Resources**

- Customs authority websites
- Export promotion agencies
- Trade compliance assistance programs

## **Disclaimer**

This overview is for informational purposes only and does not constitute legal advice. Trade agreements are complex and frequently updated. Companies should consult with qualified trade compliance professionals for specific guidance.



## Contact Information

For more information or assistance with trade agreement utilization:

**Trade Policy Department** Email: [info@ore2b.com](mailto:info@ore2b.com)