

February 2025

Official Company Statement on Tariffs Impacting Tungsten and Steel Products

Considering recent global developments and to inform our valued customers and partners, we would like to address the impact of the newly imposed tariffs by the United States and countermeasures by Asian countries on tungsten and steel and explain how these measures affect our products.

The additional tariffs imposed by the United States on steel and aluminum products originating from the European Union, as well as the recent export controls announced by China on tungsten and molybdenum, have created a complex trade environment. These measures include stringent export licensing requirements and increased tariffs on specific raw materials and finished products.

Overview of Tariffs:

1. United States Tariffs:

- The United States increased the 25% tariff duties on tungsten products by another 10% on all imports from China in February 2025.
- Additionally, 25% tariffs on steel and aluminum products from Europe have been introduced.

2. Chinese/Asian Countermeasures:

- In response to the U.S. tariffs, China has implemented export controls on tungsten and other critical minerals, requiring licenses for export, that are currently difficult to obtain, and the process can take several weeks. This move is expected to impact the global supply chain and availability of tungsten.
- Other Asian countries, such as South Korea, are taking steps to reduce reliance on Chinese tungsten by reopening domestic mines and increasing production.

Impact on our Products:

1. **Tungsten Products:** The export controls on tungsten by China require exporters to obtain a license from the Ministry of Commerce (MOFCOM) before exporting tungsten and its derivatives. This includes materials such as ammonium paratungstate, tungsten oxide, and tungsten carbide. As a result, there may be delays in the supply chain and potential cost increases for tungsten-based products out of China.
2. **Steel Products:** The tariffs imposed by the United States on steel products may affect the pricing and availability of certain steel components. However, it is important to note that the impact varies depending on the degree of processing of the steel products. For example, tool holders made in Europe are currently not affected by these tariffs.

CERATIZIT Secures Tungsten Supply Chain Independence

The CERATIZIT Group has followed the strategy of a China independent Tungsten Supply Chain since the acquisition of GTP in the year 2008. GTP is the biggest western producer of tungsten-based prematerials that is independent from China. Additionally, our recycling activities have significantly bolstered our secondary raw material feed stream.

Therefore, despite tariffs being imposed by the US on tungsten products or the export of tungsten products from China being limited, the CERATIZIT Group can completely secure the availability of tungsten-based pre-materials for their own supply chain. With a China independent supply of tungsten-based pre-materials and various production sites for final products in Europe, US and Asia, the CERATIZIT supply chain is resilient to the US tariffs and export limitations from China mentioned above.

We are actively monitoring the situation and working closely with regulatory bodies to ensure compliance and minimize any disruptions to our supply chain. Our commitment to providing high-quality products to our customers remains unwavering.

We appreciate your understanding and patience as we navigate these challenges. Should you have any further questions or require additional information, please do not hesitate to contact our customer service team.