

## Exclusion of Engine Power Plants from US Section 232 Tariffs on Steel and Aluminium Related Products

EUGINE Position Paper, October 2025

EUGINE, the Association of European Engine Power Plant manufacturers, calls for the EU and the US administration to exclude European engine power plants and their components from the tariffs applied to steel and aluminium containing products from US trade Section 232 tariffs.

European engine power generation technologies have a unique role in safeguarding the resilience of critical European infrastructure. They are essential to ensure the operation of Europe's electricity supply and to stabilise grids but also guarantee uninterrupted power in hospitals and the rapidly expanding data centre sector – thus supporting Europe's competitiveness and global industrial leadership. At the same time, these technologies also play a key role in supporting reliable and flexible power generation in the US, demonstrating the mutual benefits of maintaining open transatlantic trade.

### Main messages:

1. Section 232 tariffs will have significant European implications, including higher costs, supply chain pressures, and potential delays in developing engine-based power generation solutions, essential for EU energy security and grid flexibility.
2. Europe's engine power plant industry is a global technology leader. Reliability, high energy efficiency, fuel flexibility, and low emissions are unique capabilities making European products globally competitive – the perfect solution for the challenges of the US and European economies.
3. The EU and the US should therefore agree to exempt European engine power plants and their key components from the scope of the US section 232 to reflect their critical role in supporting resilient infrastructure in both regions.
4. Such an exemption is supporting the continued growth of the US economy, ensuring sufficient electricity even during moments when other generation solution fails.

### Engine Power Plants: Supporting Critical Infrastructure

Gas engine power plants are a key component of modern energy systems, providing resilience, flexibility, and reliable decentralised electricity for critical infrastructure, such as electricity grids and gas networks.

They are the most reliable solution used worldwide for uninterrupted electricity supply, including during grid disturbances and blackouts, ensuring the continuous operation of hospitals, airports, and other critical infrastructure.

The boom in data centres further compounds this need: the digital economy and emerging developments in artificial intelligence require enormous additional amounts of electricity while simultaneously relying on a constant and uninterrupted electricity supply. Gas engines serve not only as a backup system, but increasingly as part of distributed and flexible energy solutions which stabilise grids under rising demand.

European engine power plant technology offers significant advantages, including high energy efficiency, which reduces fuel consumption and provides economic benefits for operators while lowering climate impact. Over the past years, European manufacturers have been leading the development of engines capable of operating with non-fossil fuels such as biomethane, green ammonia, or hydrogen.

EUGINE member companies - representing Europe's engine power plant industry - bring decades of expertise in designing, deploying, and servicing gas engine plants in demanding environments across both the US and EU markets. Their expertise ensures reliable, scalable, and flexible generation capacity to support critical infrastructure globally, from data centres to hospitals.

## **Implications for the EU**

Tariffs and trade barriers have significant consequences for European manufacturers. Today, this European industry sector produces sophisticated solutions for the energy sector while being globally competitive – even without targeted subsidies.

Technological innovation – but also open global markets – have ensured that the European gas power plant industry could compete with manufacturers from China and other regions. The US market has always been of major significance, in addition to the local European market. With the additional tariffs, the relative competitiveness of European technology versus, e.g., Chinese battery or PV technology, may be significantly affected.

Furthermore, gas engine power plants are central to the EU's energy transition, supporting grid flexibility, renewable integration, and reliable local electricity supply. Ensuring the sustainability and competitiveness of European manufacturers safeguards Europe's energy security, promotes innovation, and strengthens the capacity to meet growing electricity demand efficiently.

## **Gas Engine Power Plants: A Strategic Asset for the US**

EUGINE members provide advanced gas engine technologies to the US market, supporting critical sectors that demand high levels of resilient and reliable electricity supply.

According to the [IEA 2025 report](#), electricity consumption of US data centres is projected to double by 2030, with natural gas generation expected to rise by approximately 175 TWh by 2035.

The extension of Section 232 tariffs on steel, aluminium, copper, and their derivative products threatens the gas engine supply chain which is dependent on the very materials covered by these measures and will potentially create bottlenecks for US operators of critical infrastructure.

Relocating or adapting the supply chain is challenging due to long-term contracts with suppliers and the specialised nature of these components. Engine manufacturers are highly dependent on their suppliers and rarely purchase raw steel or aluminium directly, but rather as processed parts through several stages of value creation. Due to long-term framework agreements and limited short-term flexibility, it is not currently feasible to shift sourcing to the US. Even if suppliers were to adjust their strategy, steel mills face capacity constraints and contractual obligations, leaving little opportunity to

meet current demand. Consequently, such disruptions could slow critical infrastructure projects, raise costs for US operators, and create energy vulnerabilities.

Moreover, the secure and reliable operation of existing engines critically depends on a steady supply of spare parts, for which no adequate manufacturing base currently exists in the US; ensuring tariff exemptions for spare parts is therefore also essential to maintain operational reliability and commercially viable service conditions.

Gas engine power plants require advanced engineering and specialised expertise developed over decades. Given the strategic role of data centres in the US economy, reliable and flexible access to these solutions is essential.

[EUGINE](#) members call on the EU and US governments to urgently exempt European-manufactured engine power plants and their components from Section 232 tariffs. Ensuring the exclusions in the US-EU Framework Agreement will strengthen energy security, innovation, and competitiveness on both sides of the Atlantic.

**EUGINE** is the voice of Europe's engine power plant industry. Our [members](#) are the leading European manufacturers of engine power plants and their key components.

Engine power plants are a flexible, efficient, reliable and sustainable technology, helping to ensure security of electricity supply and providing (renewable) electricity and heat.

### [EUGINE Members](#)



## Annex – Relevant HTS Codes

| HTS                                        | Description                                                                                                                    |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| 8205 5955                                  | Handtools                                                                                                                      |
| 8307 10                                    | Tubing                                                                                                                         |
| 8409 9199                                  | Cylinder head, pistons, etc...                                                                                                 |
| 8409 99                                    | Spare parts                                                                                                                    |
| 8407 9090<br><b>Subcodes</b><br>10, 80     | Spark-ignition reciprocating or rotatory internal combustion piston engines<br>Other                                           |
| 8409 9150<br><b>Subcodes</b><br>10, 81, 50 | Parts Suitable for use solely or principally with spark-ignition internal combustion piston engines (including rotary engines) |
| 8413 3090                                  | Pumps                                                                                                                          |
| 8414 5965                                  | Ventilator wheel                                                                                                               |
| 8414 8005                                  | Turbolader                                                                                                                     |
| 8414 90                                    | Parts of air or vacuum pumps etc.                                                                                              |
| 8419 5050                                  | Heat exchanger                                                                                                                 |
| 8421 2300                                  | Oil filter                                                                                                                     |
| 8421 2900                                  | Filter cartridge                                                                                                               |
| 8483<br>10,30,90                           | camshafts, crankshafts                                                                                                         |
| 8483 3080                                  | Connecting rod bearing                                                                                                         |
| 8483 6080                                  | Coupling                                                                                                                       |

| HTS                                    | Description                                                                                             |
|----------------------------------------|---------------------------------------------------------------------------------------------------------|
| 8483 9080                              | Other transmission parts                                                                                |
| 8487 90                                | machinery parts (no electrical features, insulators etc.)                                               |
| 8501 6401<br><b>Subcodes</b><br>25, 35 | AC generators (alternators)<br>Other than photovoltaic generators                                       |
| 8502 2000<br><b>Subcode</b><br>85      | Generating sets with spark-ignition internal combustion piston engines<br>Of an output exceeding 75 kVA |
| 8503 00                                | Genset Parts                                                                                            |
| 8503 0095<br><b>Subcode</b><br>50      | Parts for the Generating Sets                                                                           |
| 8511 1000                              | Spark Plugs                                                                                             |
| 9406 9001                              | Container Kit                                                                                           |

For more information please see [www.eugine.eu](http://www.eugine.eu).