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ALERT MEMORANDUM

The EU's Latest Response to Trump II Tariffs

April 16, 2025

On April 9, 2025, the EU approved new trade countermeasures targeting c.€18 billion of U.S.-origin products in response to 25% tariffs imposed by the Trump II administration on steel and aluminium imports. These new measures apply alongside 2018 and 2020 countermeasures targeting c.€8 billion worth of U.S. goods, which were due to come back into effect on April 15. On April 10, the EU announced a 90-day pause on these countermeasures to facilitate trade negotiations with the U.S.

This alert outlines the EU's latest response to the Trump II administration's tariff measures and follows our previous alert on this topic.

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U.S. Tariffs: The State of Play

On April 2, 2025, U.S. President Trump imposed broad "reciprocal" tariffs on imported goods from most countries, comprising a general 10% tariff and additional territory-specific tariffs, with certain product-specific exemptions[1] (discussed in our alert). The territory-specific tariff applicable to EU-origin imports was 20%. On April 10, these tariffs were paused at the 10% rate for 90 days (until July 9) other than for China-origin goods. These tariffs follow four earlier sets of tariff measures by the Trump II administration: (a) 25% tariffs on imported steel and aluminium products, including from the EU (discussed in this alert); (b) tariffs on imports from Canada, Mexico and China (discussed in this alert); (c) 25% tariffs on automobiles and automobile parts; and (d) threatened 25% tariffs on countries importing Venezuelan oil.

[1] On April 11, the White House and U.S. Customs and Border Protection agency issued further clarifications on the products excluded from the "reciprocal" tariffs, which include products covered by the 8471 tariff code (*e.g.*, computers, laptops, semiconductor devices, memory chips and flat panel displays).

EU Response to U.S. Steel and Aluminium Tariffs

On February 10, President Trump imposed 25% tariffs on imported steel and aluminium products taking effect from March 12, which expanded on measures introduced under the first Trump administration. These tariffs were adopted under Section 232 of the U.S. Trade Expansion Act of 1962 on grounds of national security ("Section 232 duties") and affected c.€26 billion of EU exports corresponding to c.5% of total EU goods exports to the U.S. The EU immediately promised a decisive response with "*firm and proportionate countermeasures*".[2]

On March 12, 2025, the EU Commission announced a two-step package of countermeasures that would apply to U.S. goods exports of up to c.€26 billion, matching the economic scope of the U.S. Section 232 duties. On April 9, EU Member States approved the Commission's proposal for the new countermeasures. The EU has now suspended all countermeasures for 90 days until July 14 to facilitate negotiations with the U.S.[3]

Revival of 2018 and 2020 countermeasures

The EU has essentially revived countermeasures adopted in response to steel and aluminium tariffs imposed during the first Trump administration (with a few modifications), targeting €8 billion of U.S.-origin goods. These countermeasures comprise duties of 10-25% on a range of different U.S. products, including peanut butter, Harley-Davidson motorcycles, jeans, orange juice, steel, and aluminium.[4] These tariffs were adopted under Regulation (EU) No 654/2014 (the "Enforcement Regulation"),[5] which allows the EU to withdraw or suspend trade concessions or obligations in response to a breach of international trade rules or to "rebalance" trade relations in response to safeguard measures or other modifications of WTO trade concessions by a trading partner. The EU considered, notwithstanding the U.S.'s characterization of the measures as security measures, that the U.S. steel and aluminium tariffs were safeguard measures aimed at protecting its domestic industry against competition from imports, which entitled the EU to suspend import duty concessions after following a WTO-mandated process.

The 2018 and 2020 countermeasures were suspended after the Biden administration opened trade negotiations and agreed to temporary concessions, including a replacement of the tariffs with a quota system. The EU has decided not to extend the suspension, which expired on April 14, 2025.[6]

New countermeasures

The EU has adopted tariffs of 25% targeting €18 billion of U.S.-origin goods, including food and beverage products, personal care and household products, textiles, wood, and transportation equipment.[7] As with the 2018 and 2020 countermeasures, these tariffs were adopted under the Enforcement Regulation on the basis that the U.S. tariffs are safeguard measures. The tariffs were finalized following a four-week process, beginning with stakeholder consultations on the proposed list of targeted products (launched on 12 March) before the Commission prepared the draft implementing act for adoption under the comitology examination

[2] Statement by Commission President von der Leyen on announced US tariffs, February 11, 2025.
[3] Implementing Regulation (EU) 2025/786 of 14 April 2025.
[4] Implementing Regulation (EU) 2018/886 of 20 June 2018 and Implementing Regulation (EU) 2020/502 of 6 April 2020. The duties imposed under the 2018 and 2020 implementing acts ranged from 10-50%; the duty rates have been reduced to 10-25% and the duties on whisky removed in Implementing Regulation (EU) 2025/778 of 14 April 2025.
[5] Regulation (EU) No 654/2014 of the European Parliament and of the Council of 15 May 2014 concerning the exercise of the Union's rights for the application and enforcement of international trade rules.
[6] Implementing Regulation (EU) 2023/2882 of 18 December 2023 suspending commercial policy measures concerning certain products originating in the United States of America imposed by Implementing Regulations (EU) 2018/886 and (EU) 2020/502, as amended by Implementing Regulation (EU) 2025/664 of 31 March 2025.
[7] Implementing Regulation (EU) 2025/778 of 14 April 2025.

procedure.[8] EU Member States voted to approve the act on April 9 and the new duties were scheduled to take effect from April 15.

To mitigate the impact of trade diversion stemming from the U.S. tariffs, the Commission has also tightened existing steel safeguard measures to protect the EU steel industry from increased imports from other countries affected by the U.S. measures.[9] These changes entered into force on April 1, 2025, with certain other changes to take effect on July 1. The Commission has also established an "Import Surveillance Task Force" tasked with collecting evidence and supporting the development of other EU policy responses.[10]

Further EU Countermeasures In Response To U.S. Tariffs

In addition to the Section 232 tariff countermeasures, the EU has been preparing a broader set of potential response measures to address the U.S. "reciprocal" tariffs, automotive tariffs, and any further unilateral action by the Trump II administration. At the same time, the EU continues to prioritize a de-escalation of trade tensions and has consistently underscored its commitment to seeking a negotiated solution with the U.S and "*work towards reducing barriers*, *not raising them*".[11]

Negotiated solution. The EU has offered the U.S. a "zero-for-zero" tariff agreement covering a wide range of industrial goods, including cars, pharmaceuticals, rubber, plastic, and machinery.[12] During U.S. President Trump's first term in office in 2018, the U.S. and EU had tentatively agreed to pursue a similar arrangement – a "*zero tariffs, zero non-tariff barriers, and zero subsidies on non-auto industrial goods*" agreement – although this did not result in any concrete accord.[13] The EU also has similar agreements with a number of other trade partners.[14] U.S. President Trump has dismissed this offer and suggested the EU should commit to purchasing U.S. exports (such as energy) to reduce the current EU-U.S goods trade deficit.[15] This demand mirrors the U.S.-EU 2018 political compromise, which also saw the EU committing to import more LNG supplies from the U.S.[16]

Broader policy options. The EU continues working to diversify its trade partnerships. In recent months, the EU agreed trade partnerships with Mexico[17] and the Mercosur.[18] In March 2025, the EU initiated talks with South Africa for its first Clean Trade and Investment Partnership (CTIP), which focuses on developing strategic industries and supply chains for the clean energy transition.[19] Additionally, the EU and

[8] The comitology examination procedure requires a qualified majority (55% of EU countries representing at least 65% of the total EU population) to vote in favor of the proposed implementing act for its adoption.

[9] Implementing Regulation (EU) 2025/612 of 24 March 2025 amending Commission Implementing Regulation (EU) 2019/159.

[10] Statement by Commission President von der Leyen at the joint press conference with *Norwegian Prime Minister Støre*, April 7, 2025.

[11] *See e.g.*: Statement by Commission President von der Leyen on US tariffs, April 7, 2025; Statement by President von der Leyen on the announcement of universal tariffs by the US, April 3, 2025.

[12] Statement by Commission President von der Leyen at the joint press conference with *Norwegian Prime Minister Støre*, April 7, 2025.

[13] Joint Press Statement by President Trump and Commission President Juncker, July 25, 2018.

[14] For instance, the EU-Canada Comprehensive Economic and Trade Agreement (CETA) eliminates 100% of tariffs for industrial products. *See* also Annex 2-A of the EU-Japan Economic Partnership Agreement.

[15] Reuters Alert, Trump says EU will have to buy energy from US, April 7 2025.

[16] Joint Press Statement by President Trump and Commission President Juncker, July 25, 2018.

[17] The EU and Mexico concluded negotiations on the Modernized EU-Mexico Economic Partnership, Political Coordination and Cooperation Agreement on 17 January 2025, which will replace their existing 2000 agreement after ratification.

[18] The EU and four Mercosur countries (Argentina, Brazil, Paraguay and Uruguay) reached political agreement on a trade and investment agreement on 6 December 2024. The agreement will come into force after ratification.

[19] Press Statement by Commission President von der Leyen in South Africa, April 7, 2025.

India are aiming to conclude negotiations on the EU-India free trade agreement this year.[20]

Potential trade countermeasures. Our recent alert memo outlined a wide range of possible response options by the EU. The EU could respond using its new Anti-Coercion Instrument, which confers broad powers to retaliate against economic coercion through restrictions on trade of goods and services, foreign investment, market access, IP protections and financial services. This could include a tax on digital advertising revenues or other measures targeting digital service providers. In addition, the EU could pursue safeguard measures to protect the EU single market from diverted trade flows from other countries affected by the U.S. measures, withdraw or suspend trade concessions under the Enforcement Regulation (*i.e.*, impose additional retaliatory tariffs), pursue a WTO complaint or trade defence investigations.

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[20] Speech by Commission President von der Leyen: "The consequential partnership: Reimagining and realigning EU and India ties for today's world", February 28, 2025.