EU adopts rebalancing measures in reaction to US steel and aluminium tariffs

Brussels, 20 June 2018

The European Commission adopted today the regulation putting in place the EU’s rebalancing measures in response to the US tariffs on steel and aluminium. The measures will immediately target a list of products worth €2.8 billion and will come into effect on Friday 22 June.

The list of US imports that will now face an extra duty at the EU border includes steel and aluminium products, agricultural goods and a combination of various other products. By putting these duties in place the EU is exercising its rights under the World Trade Organisation (WTO) rules.

Commissioner for Trade Cecilia Malmström said: "We did not want to be in this position. However, the unilateral and unjustified decision of the US to impose steel and aluminium tariffs on the EU means that we are left with no other choice. The rules of international trade, which we have developed over the years hand in hand with our American partners, cannot be violated without a reaction from our side. Our response is measured, proportionate and fully in line with WTO rules. Needless to say, if the US removes its tariffs, our measures will also be removed."

Today's announcement follows the notification of the full list to the WTO and its endorsement by the College of Commissioners on 6 June, following the US application of the full tariffs on EU steel and aluminium products. EU Member States have expressed their unanimous support for this approach.

The EU will rebalance bilateral trade with the US taking as a basis the value of its steel and aluminium exports affected by the US measures. Those are worth €6.4 billion. Of this amount, the EU will rebalance on €2.8 billion worth of exports immediately. The remaining rebalancing on trade valued at €3.6 billion will take place at a later stage – in three years’ time or after a positive finding in WTO dispute settlement if that should come sooner.

The EU rebalancing measures will be effective for as long as the US measures are in place, in line with the WTO Safeguards Agreement and EU legislation.

The Implementing Regulation, to be published tomorrow and entering into force on Friday, sets out the products and level of duties to be applied, both now and in the future, if necessary.

The list of products is the same as in the previous Implementing Regulation of 16 May and as notified to the WTO on 18 May.

Background

Today’s decision is part of the three-pronged response outlined by the European Commission earlier this year. This also includes the launch on 1 June of legal proceedings against the US in the WTO and safeguard action to protect the European market from disruptions caused by the diversion of steel from the US market. A safeguards investigation was launched on 26 March. The Commission has nine months to decide whether safeguard measures would be necessary. If the investigation confirms the necessity for swift action, such a decision could be taken by summer. As regards aluminium, the Commission has put in place a surveillance system for imports of aluminium to be prepared in case action is required in that sector.

For More Information

List of products for rebalancing
Commission reaction of 1 June, following imposition of US tariffs

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