

EU Announces Retaliation Against US Steel And Aluminum Tariffs, Seeks Stakeholder Input Now

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On 12 March 2025, the European Commission (EC) announced two measures intended to retaliate against the US' imposition of a 25% tariff on imports of steel and aluminum products.

The EC deems the US measures to constitute safeguards affecting €26 billion of EU exports. As such, the EC submits that it intends to retaliate against €26 billion worth of US exports to the EU.

The EC's announced measures are twofold. Firstly, currently suspended retaliatory tariffs that were first set in 2018 and 2020 are scheduled to reapply from 1 April 2025 onwards. Secondly, the EC has announced a new set of retaliatory measures scheduled to kick-in around mid-April 2025.

I. Currently Suspended Retaliatory Measures

First, the EC has announced that <u>currently suspended</u> retaliatory tariffs on US products such as motorcycles, lighters, whiskey and bourbon, jeans, textile products or cosmetics will reenter into force from 1 April 2025 onwards.

The full list of concerned products and the applicable duty rates is included in the annexes to Implementing Regulations 2018/886 and 2020/502.

As the EU's suspension of its existing retaliatory measures is scheduled to expire on 31 Mach 2025, the EC does not need to take any steps for the measures to come back into force. Their reentry into force on 1 April 2025 will be automatic.

II. New Measures

In addition to the reentry into force of suspended retaliatory measures (see above), the EC also announced new countermeasures to be adopted pursuant to the EU Enforcement Regulation. The EC seeks to implement the new measures by 13 April 2025.

The extensive, yet provisional list of products bound to fall within the scope of these new measures is available here. Concerned products* include:

- Agricultural products, alcoholic beverages and other foodstuffs
- Tobacco products
- Minerals
- Personal care and cosmetic products
- Plastic, other petrochemicals and products thereof
- Leather and articles thereof
- Wood and products thereof
- Furniture and luminaire
- Paper products
- Textile articles, including clothing and home textiles
- Glassware
- Knives, razors and scissors
- Precious stones
- · Precious metals and jewelry thereof
- Iron, steel and aluminum products
- Appliances
- Building tools
- Lawn mowers
- Motorcycles
- Optical equipment
- Paintings less than 100 years old

The proposed list of targeted US products is not definitive yet. The EC is therefore consulting stakeholders until 26 March 2025. Following stakeholder consultations, the new measures will be raised with the EU's member states, which are expected to greenlight them before their publication in the EU Official Journal and entry into force.

^{*} For product categories already within the scope of currently suspended countermeasures, such as alcoholic beverages or motorcycles, the new countermeasures cover certain previously unaffected product types.

III. Next Steps For Businesses

The countermeasures announced by the EC are substantial, and likely to affect trade between the EU and the US. Additionally, the US may counter-retaliate, in a tit-fortat dynamic that is often referred to as a "trade war". For example, President Trump has already threatened a 200% tariff on all EU exports of alcoholic products to the US in response to EU tariffs on US whiskey. Further EU countermeasures are also possible.

Over the coming weeks, companies involved in trade between the EU and the US are advised to closely monitor and consider these developments. Companies exporting products from the US falling within the scope of the EU's currently suspended or new countermeasures should start preparations to account for any financial and logistical impact.

Simultaneously, companies should engage in the stakeholder consultations ongoing until 26 March 2025 to make their voice heard with the EC. Products may still be taken out the list before its final publication in the EU Official Journal.

Companies without in-scope products are still encouraged to monitor the situation and engage as well. As the new measures may still change, such companies may still see their products included within the definitive scope. Additionally, upstream and downstream value chains may also be affected.

IV. How We Can Help

The Squire Patton Boggs Public Policy and International Trade & Foreign Investment Practice Groups are closely monitoring and advising clients with respect to ongoing trans-Atlantic trade developments. Our lawyers and trade experts in both the EU and the US stand ready to assist with any institutional engagement, such as in the filing of comments as part of the EC's ongoing stakeholder consultation. They may also respond to any questions concerning the operation and implications of both the EU and US measures. Ultimately, the current trade situation warrants strategic and operational awareness that our team will be delighted to provide.

Contacts



Wolfgang Maschek
Partner, Brussels
Public Policy
T +322 627 11 04
E wolfgang.maschek@squirepb.com



Everett Eissenstat
Partner, Washington DC
Public Policy
T +1 202 457 6535
E everett.eissenstat@squirepb.com



Ludmilla Kasulke
Partner, Washington DC
Public Policy
T +1 202 457 5125
E ludmilla.kasulke@squirepb.com



José María Viñals
Partner, Madrid / Brussels
International Trade Law
T +34 91 426 4840
E josemaria.vinals@squirepb.com



Diego Sevilla Pascual
Senior Associate, Brussels
International Trade Law
T +322 627 7612
E diego.sevillapascual@squirepb.com



Guillermo Giralda Fustes
Associate and Public Policy Advisor,
Brussels
Public Policy
T +322 627 7621
E guillermo.giraldafustes@squirepb.com