

Donald Trump has come out on top in the 2024 US presidential election. Because of the US' central role in the world economy, President-elect Donald Trump's trade policy agenda will have wide-ranging consequences for the US' trading partners.

While there is uncertainty about the course the new president will take regarding the conflict in Ukraine and its impact on US-Europe relations, some potential directions for US trade policy affecting Europe can already be identified.

Below are five trade-related issues for the EU that we anticipate in the aftermath of Trump's reelection:

- Trump has announced new tariffs of between 10% and 20% on all US imports, which will make EU exports less competitive on the US market. In addition, Trump has threatened to impose 60% tariffs on all US imports from China.
- Trump's sizeable tariffs are likely to prompt a redirection of US-bound exports (including China's) to the world's other major developed market, the EU. This may further complicate the outlook for EU businesses, as they will face increased competition in their home markets. It may also prompt the EU to adopt safeguarding measures to protect itself against a sudden increase in imports, limiting trade to the EU (including from China).
- Should tariffs lead to inflation, the US Federal Reserve could maintain higher interest rates than would otherwise be the case, with consequences for the EU economy and the euro. In particular, it has been [estimated](#) that tariffs and tax cuts proposed by Trump could push the euro to depreciate between 8% and 10% against the US dollar.
- Upcoming EU-US trade negotiations could also be affected and prove complex. In particular, the suspension of EU retaliatory measures against US steel and aluminium tariffs is scheduled to expire in March 2025. As such, the EU and the US will have to negotiate a possible extension of the suspension within Trump's first months in office. Should negotiations fail, Trump's response to the EU tariffs could be unpredictable.
- Likewise, the suspension of retaliatory measures set in the context of the Large Civil Aircraft World Trade Organization (WTO) disputes between the US (Boeing) and the EU (Airbus) is scheduled to come to an end in 2026. Should negotiations to extend the suspension fail, consequences could be felt beyond the aeronautic sector. For example, US retaliatory measures in the Airbus dispute affect 19 product categories, ranging from EU dairy to machinery and spirits. EU retaliatory measures in the Boeing dispute affect a whopping 130 product categories.

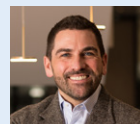
All in all, Trump's election spills considerable uncertainty for EU trade, following a period of more structured bilateral relations under President Joe Biden's administration. The extent to which US disagreements with trading partners could spiral into trade wars is hard to predict.

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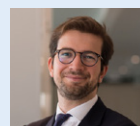
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