

Commercial war : Here we are again !

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On February 10, 2025, President Trump issued two proclamations modifying the steel and aluminum tariffs that he had originally imposed in 2018 under Section 232 of the Trade Expansion Act of 1962. From yesterday, March 12, 2025, all such exemptions are withdrawn, and a 25% customs duty rate applies on both types of products and the list of derivative products subject to the tariffs was expanded imported in the USA.

European Union countermeasures

The European Commission announced yesterday the following response, designed to defend European interests through two countermeasures:

Reimposition of suspended countermeasures

Back in 2018 and 2020, the EU introduced countermeasures (ranging from 4,4% to 50% customs duty rate) in response to tariffs levied in the USA on European steel and aluminium. These countermeasures targeted multitude of US products (e.g. motorcycles, cereals, whiskey, fruit juices, steel and aluminium products). They were suspended end of October 2021 until 31st March 2025.

Given the US position, the EU Commission confirmed today that from 1st April 2025, the suspended additional customs duty rates will be applicable.

Introducing a new package of additional measures

Today, the European Commission also launched a process to impose additional countermeasures (than the ones described above) on US products mixture of industrial and agricultural products.

By mid-April, after stakeholders consultation, the adoption process should be concluded and the act imposing the countermeasures should enter into force (unless an agreement has been reached with the Trump administration). President Trump announced that the USA will respond to the EU counter-tariffs.

Countermeasures from other countries

Canada has announced 25% retaliatory tariffs on US goods worth C\$29.8bn (£16bn) from today (13th March 2025). Mexico will wait until April 2nd to decide whether definition of reciprocal tariff will be applied. The United Kingdom will wait and see, as they are trying to negotiate a free trade agreement with the USA.

In these uncertain and quickly evolving times, it is key for companies to review their current supply chain, identify whether they will be impacted and prepare accordingly.

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