

US Tariffs Spark EU Countermeasures – What Businesses Need to Know

The EU's Response to Recent US Tariffs on Steel and Aluminium Imports

12 March 2025

Already the first Trump administration has restricted international trade by imposing tariffs of up to 25% on imports of steel and aluminium from the European Union (*EU*), provoking countermeasures by the EU. In 2021, these measures ceased to apply after the EU and United States (*US*) reached a corresponding agreement. On 12 March 2025, the US revived the tariffs. Again, the action has prompted the EU to implement countermeasures.

Thereby, the European Commission has made use of its Trade Defence Arsenal to protect its economic interests and maintain a balanced trade relationship with the US (see our previous [briefing](#) on the legal basis for retaliatory tariffs and other potential countermeasures).

US Measures at a Glance

On 12 March 2025, the US reintroduced and expanded tariffs on imports stemming from the EU, which will significantly increase costs for European exporters. As part of these measures, the US reinstated the tariffs from 2018 on steel and aluminium products, maintaining a tariff rate of 25% on steel and raising the tariff rate on aluminium from 10% to 25%. Beyond the increase, the US also broadened the scope of its tariffs to include new product categories, such as household goods made from steel and aluminium, or products that incorporate steel or aluminium components as machinery, certain electrical appliances, and furniture. Additionally, the US is expected to introduce a system to further extend tariffs of up to 25% on additional steel and aluminium derivative products.

The EU Striking Back

To counterbalance the reinstated and expanded US tariffs, the European Commission has announced a two-part response:

Firstly, as of 1 April 2025, the EU will reinstate the full set of countermeasures initially introduced in [2018](#) and [2020](#). These tariffs affect numerous US exports from different sectors, for example clothing such as leather shoes and jeans, steel products such as stainless steel, wire and kitchen appliances, make-up and lipstick, motorbikes as well as certain food and vice products. Regarding the former tariffs on motorcycles, the European Court of Justice clarified that tariffs may not be circumvented by relocating production outside of the US (see our [briefing](#)).

Secondly, given the extended scope of the new US tariffs, the EU is preparing an additional set of rebalancing measures affecting US goods amounting to approximately EUR 18 billion in total. As of 12 March 2025, the Commission will launch a two-week consultation with EU stakeholders to determine the products most appropriate for countermeasures to ensure a targeted reaction. Interested parties can submit their statements [here](#).

The following products could be affected (the full list can be downloaded [here](#)):

- **Industrial products:** Plastics, wood products, steel and aluminium products, tools, leather goods, textiles, home appliances
- **Agricultural products:** Vegetables, sugar, dairy, poultry, beef, eggs, seafood

The act imposing the countermeasures is expected to come into force by Mid-April.

Implications for Businesses

The EU's countermeasures will have significant implications for US exporters, particularly those in sectors directly targeted by the tariffs:

- **Increased Costs:** Higher tariffs will raise costs for US goods entering the EU, making them less competitive in the European market.
- **Market Access Challenges:** Affected US businesses may experience reduced demand in the EU due to price increases caused by the tariffs.

Furthermore, the EU tariffs may result in supply chain disruptions. EU companies relying on US exports for manufacturing or distribution may need to explore alternative sourcing strategies.

Apart from that, the US tariffs may cause global trade flows to divert from the US towards other markets such as the EU. To protect EU industries from a sharp and sudden increase of imports, it is conceivable that the EU will take safeguard measures to protect domestic industry.

Navigating the Shifting Landscape

The reintroduction of US tariffs on European steel and aluminium, along with the EU's countermeasures, marks a significant escalation in transatlantic trade tensions. Especially US companies exporting to the EU should take proactive steps to assess their exposure and adapt to the evolving regulatory landscape. The situation remains fluid, and businesses are advised to stay updated on further developments.

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BLOMSTEIN is keeping a close eye on developments regarding trade defence measures, including tariffs. If you have any questions, [Roland M. Stein](#), [Leonard von Rummel](#) and [Ramona Ader](#) will be glad to advise you at any time.
