‘Dodging an EU bullet’

Who wins and who loses in the forthcoming trade battle between the US and the EU is anyone’s guess. It also remains to be seen what the collateral damage to the UK might be.

Thanks to Brexit, however, we are no longer the principal target of President Trump’s ire, having escaped the clutches of the Customs Union when we left the European Union in 2020.

Indeed at the time of writing, the UK’s business minister Jonathan Reynolds is about to meet with US officials to advance discussions on a bi-lateral trade agreement, a potentially enormous Brexit benefit which would not have been possible had the country voted to Remain in 2016.

The implications for the EU however could be far worse as the summary report below indicates. For everyone’s sake let us hope this does not escalate into a full-scale trade war. The one mercy is that the UK is now able to set its own trade policy which could prove vital in the weeks and months ahead.

Revealed: The 1,100 US goods on which the EU plans to impose punitive import tariffs

The EU-US trade wars – Thanks to Brexit the UK is saved from the worst of this madness

Would you pay twice the price in April to replace your hair dryer? (At that price you could have a

Dyson)

Would consumers fork out £40 next month for a £25 bottle of supermarket champagne? Or would they buy British ‘champagne’ instead? Will EU consumers be facing double the price to replace their US-made hair dryer in April? These may be the kind of questions facing US and EU consumers next month.

Our headlines may at first seem a little flippant but any look at how the EU and the US are shaping up against each other in the new trade war which is fast developing between the two giant players is likely to produce some difficult choices for consumers and businesses on both sides of the Atlantic.

Today’s Facts4EU think-tank report sheds some light on the latest escalations of tariffs on imported goods being proposed in the European Union and in America. Our headlines merely reflect some of the madness which is on the way, if the two sides cannot negotiate a settlement in the next couple of weeks.

Yesterday further announcements were made by each side – in typical Trumpian style from Washington and in equally typical bureaucratese from Brussels.

We start with US President Donald Trump

Below are two posts from President Trump yesterday on his equivalent of ‘X’ (formerly Twitter), which is called ‘Truth Social’. He formed this social media platform after shamefully being banned from the then Twitter when he was running for President. This was in the days before it was bought by Elon Musk and renamed ‘X’.

The European Union's response to Trump's tariffs

In recent days there has been a flurry of indignant statements coming out of Brussels from EU Commission President Ursula von der Leyen, from the Commissioner for Trade, and from a variety of other officials with some interest in this subject.

There will now be a rapid consultation process led by the Commission to decide on the exact measures to be introduced in retaliation for President Trump's retaliatory measures against the EU. However we know the broad outline and our overnight research has uncovered the extraordinary list of products on which the Commission is intending to impose high tariffs on US goods entering the EU's Single Market.

The 1,111 US products being targeted for new, higher tariffs by the EU Commission

Our research has revealed the enormity of the range of US products which will be impacted in just over two weeks' time on 01 April, if no compromise is reached with the Trump administration.

The total number of product classifications stands at 1,111. (Some of these may be product ranges, thereby taking in far more products.) Where previously it may have been thought that only raw materials such as sheet steel and aluminium were involved, the EU has now extended this to include products which include elements of aluminium and steel in their manufacturing processes, as well as a huge variety of other goods wholly unconnected with those metals. Whilst we cannot possibly publish the full range here, we can give some idea of the scope by citing just a very few examples.

Some examples of US goods targeted

The following is a random list to give some idea of the range and scope of the US goods affected

- Mattresses of cellular rubber
- Sets of assorted articles of kitchen knives
- Milk and cream of a fat content by weight of > 3% but <= 6%
- Wines of every kind imaginable
- Flooring panels for mosaic floors, assembled, of wood other than bamboo
- Women's or girls' swimwear of textile materials, knitted or crocheted, containing >=5% by weight of rubber thread (excl. synthetic fibres)
- Slippers and other indoor footwear with uppers of textile materials (excl. with outer soles of rubber, plastics, leather or composition leather, and toy footwear)
- Electromechanical domestic appliances

Yet another Brexit benefit

The unelected EU Commission is in charge of trade policy on behalf of the 27 member countries and all of them will be bound by what is decided, whether an individual country and its people disagree or not. Thanks to Brexit, the UK now has its own independent trade policy and can set its own trade agenda in accordance with the best interests of the British people and of British businesses.

Observations

As we pointed out many months ago, President Trump has a particularly interesting negotiating style. At times it might be described as akin to ‘shock and awe’. He quite frequently makes the most outlandish demands, knowing full well that he is moving the goalposts of the negotiation and altering the perceptions of the other side.

It is often a very successful strategy, resulting in a compromise far more in line – and perhaps in some cases exceeding – his desired outcome.

It remains to be seen whether the EU will be able to adapt.

This is a CIBUK-Facts4EU.Org publication. The original report can be found here.