

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 3/19/2018

GAIN Report Number: E18021

EU-28

Post: Brussels USEU

Commission launches consultation on U.S. steel tariff hike

Report Categories:

Trade Policy Monitoring

Approved By:

Mary Ellen Smith

Prepared By:

J. Barrie Williams

Report Highlights:

EU Trade Commissioner Malmstrom has asserted that the EU should be excluded from additional tariffs on U.S. imports of steel and aluminum scheduled to be applied from March 23, 2018. However, if the EU were not to be exempt, the European Commission has prepared wide ranging retaliatory measures that include agriculture. On Friday, March 16, 2018, the European Commission's DG Trade launched a public consultation on the announced U.S. tariff increases on imports of steel and aluminum and possible EU retaliatory measures. The deadline for input is 12:00 am (Universal Time Coordinated + 01:00) Brussels, Monday, March 26, 2018.

General Information:

If the U.S. imposes tariff increases on EU steel and aluminum, the European Commission has stated that it will impose retaliatory measures. On Friday March 16, DG Trade posted two lists of proposed products.

Part A includes products worth \$3.5 billion that the EU can target with tariffs of 25 percent.

Agricultural products featuring on the list include sweetcorn, corn, kidney beans, rice, peanut butter, cranberries, orange juice, Bourbon whiskey and whiskey.

Part B of the list is made up of products that may be affected by duties on imports from the United States in a second phase after three years, in response to the tariff on U.S. steel and aluminum imports. Agricultural products listed are Bourbon whiskey and whiskey. The total of the two lists could impact \$7.9 billion in U.S exports.

Details of all products listed in Parts A and B are available on DG Trade website at:

http://trade.ec.europa.eu/consultations/index.cfm?consul_id=253

The top five highest-value export products on the list are: whiskey including Bourbon (\$698 million), corn (\$161 million), cranberries (\$108 million), dried kidney beans (\$81 million), and rice (\$71 million).

Commission's consultation exercise

The European Commission's DG Trade launched a consultation aimed at private stakeholders impacted by the tariff increases announced for U.S. imports of steel and aluminum or by possible EU retaliatory measures. As the Commission is more likely to be sympathetic to domestic concerns, U.S. exporters wishing to comment are advised to do so in tandem with EU importers or end users.

The Commission asserts that the information received through the consultation would provide it with input to help in assessing the necessity and extent of potential EU retaliation.

The consultation provides a form to be completed and a complete list of products potentially subject to EU retaliatory measures. The completed form should be submitted by email to:

TRADE-REG-654-2014-INFOGATHERING@ec.europa.eu

by 12:00 am (Universal Time Coordinated + 01:00) Brussels, Monday, March 26, 2018.

The consultation may be accessed on the DG Trade website at:

http://trade.ec.europa.eu/consultations/index.cfm?consul_id=253

