

Trump tariffs

EU retaliates after Donald Trump's steel and aluminium tariffs take effect

Brussels says countermeasures will target up to €26bn of US goods



A steelworker in Germany. The EU has hit back after the US imposed tariffs on imported steel © Wolfgang Rattay/Reuters

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The EU has retaliated against Donald Trump's 25 per cent tariffs on steel and aluminium within hours of them taking effect, escalating a trade war that has rattled financial markets and threatens the global economy.

The European Commission said its measures would affect up to €26bn of American goods, matching the US tariffs on European exports, and would take effect in April, leaving some time to negotiate with Washington.

European Commission president Ursula von der Leyen said the EU regretted Trump's decision and that tariffs were "bad for business, and even worse for consumers".

"These tariffs are disrupting supply chains. They bring uncertainty for the economy. Jobs are at stake. Prices will go up," von der Leyen said.

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EU commission president Ursula von der Leyen announces tariffs on US steel and aluminium © Reuters

Brussels hit back after the US [tariffs](#) came into force on Wednesday, as Trump pressed ahead with his protectionist trade agenda despite growing concern over the risk of a domestic recession.

The move to impose the tariffs followed a [turbulent day on Wall Street](#) as the spectre of a deepening trade war and the administration's erratic policymaking on tariffs shook investors.

European stocks were up on Wednesday, with the Stoxx Europe 600 index climbing 0.5 per cent in early trading.

As part of its retaliation, Brussels has reinstated measures introduced during Trump's first term on €4.5bn of US exports from April 1. These include levies of up to 50 per cent on products such as bourbon whiskey, jeans and Harley-Davidson motorcycles.

The EU has also drawn up levies on a further €18bn of US goods, which could include cosmetics, clothes, wood, soyabeans, chicken, beef and other agricultural produce. The measures, which could be expanded to include another €3.5bn of goods, require approval by EU countries and would come into force on April 13.

A senior EU official said that soyabeans were on the list of targets because they are grown in Louisiana, home state of House speaker Mike Johnson.

"We're happy to buy our soyabeans from Brazil or Argentina," they added.

"We want to ensure there is pressure within the American system to lift their tariffs," a second official said.

Trump's tariffs are the latest salvo in an aggressive trade policy that the president has

Trump's tariffs are the latest salvo in an aggressive trade policy that the president has said will boost US manufacturing and penalise countries he claims have ripped America off.

Last month the president [announced](#) that he would impose the duties on metals, ripping up agreements struck between his predecessor Joe Biden and US trading partners to allow certain quantities of steel and aluminium to enter the country duty free.

US administration officials have framed the move as a response to “foreign players” that they say are responsible for “surging exports” of metals to America that are undermining domestic producers.

Trump has also expanded the metals tariffs to apply to a wide range of products containing steel and aluminium, including tennis rackets, exercise bikes, furniture and air conditioning units.

UK trade secretary Jonathan Reynolds said that the tariffs were “disappointing” but Britain did not respond with immediate countermeasures.

Despite the US being the UK steel industry's second-biggest export market, Reynolds said that the government was “focused on a pragmatic approach” as it seeks to negotiate a broader economic deal with the White House.

China, the world's largest steelmaker and exporter, warned it would “take all necessary measures to safeguard its legitimate rights and interests” but did not immediately announce retaliatory tariffs.

Australian Prime Minister Anthony Albanese said the tariffs were “entirely unjustified”, adding: “This is not a friendly act”. The country was exempt from similar tariffs implemented during Trump's first term, and the country's steel producers supply the US defence and manufacturing sectors.

The full list of steel and aluminium products subject to the levies represented \$151bn of imported goods in 2024, according to an analysis by Simon Evenett and Johannes Fritz of the St Gallen Endowment for Prosperity Through Trade.

Ted Murphy, a partner at law firm Sidley Austin, said Trump's sweeping new metals tariffs represented a “big change” from his approach when he introduced similar levies in 2018 and allowed exclusions for some products.

“The product exclusions were vetted through a US government process to confirm the products weren't available in the US,” said Murphv. “So taking that away will mean a

lot of folks will have to pay the tariff because they can't source these products domestically."

On Tuesday, Trump announced he would double the tariffs applied to steel and aluminium imports from Canada to 50 per cent, marking an escalation in his trade war with one of the US's top three trading partners, before [reversing course](#) later in the day.

The Canadian province of Ontario, which had on Monday announced a 25 per cent surcharge on power exported to the US, on Tuesday said it would suspend the charge in a bid to de-escalate the tit-for-tat tariffs.

Additional reporting by Nic Fildes in Sydney, George Parker in London and Joe Leahy in Beijing

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