



By: TA | AP Insight

# EU overcomes fierce internal debate to agree on tariff deal with the US



The European Union approved Wednesday a tariff deal with the United States to cap tariffs on most EU exports at 15%, avoiding a direct clash with President Donald Trump ahead of his **July 4 deadline**.

Fierce **debates** raged among the 27-nation bloc's lawmakers and leaders, jeopardizing the hard-won bargain governing the massive exchange of goods and services across the Atlantic Ocean between two of the world's largest economies, now weathering dangerous fallout from the war in Iran.

In the European Parliament, legislators threatened to block the trade agreement that European Commission President Ursula von der Leyen had struck last July with United States President Donald Trump at his **Turnberry** golf course in Scotland, following months of bargaining in the wake of his administration's global fusillade of tariffs.

The handshake between **von der Leyen and Trump** initiated months more of negotiations over details between Washington and Brussels, just as criticism within Europe of the deal spiked after Trump threatened to take control of **Greenland**, a semiautonomous territory of Denmark. He has backed away from the threat, at least for now.

"A deal is a deal, and the EU honours its commitments," said the EU executive in a social media post welcoming the agreement.

European lawmakers had successfully insisted on adding protections to the deal in case the U.S. backtracks or wavers on details, said Bernd Lange, the head of the parliamentary trade committee.

"If there is something going wrong, of course, we are self-confident to act on that," he said.

## Intense negotiations across the EU

The rough outlines of a deal are clear: a 15% tariff cap on most European imports, while

tariffs on US industrial goods would be reduced to zero.

While the deal burdened consumers and businesses with a tariff increase from the previous average of 4.8%, it also gave businesses certainty so they could plan ahead, a factor credited with helping Europe avoid a recession last year.

With the continued closure of the Strait of Hormuz driving up prices as the war in the Middle East rages on, interest rates and inflation from Latvia to Louisiana, proponents of the EU-U.S. deal argue that settling trade between them is crucial in a time of **global economic fragility**.

**This outcome will reinforce stability in EU-U.S. trade and open the door even wider to constructive cooperation on many issues of strategic importance - Maroš Šefčovič**

The American Chamber of Commerce in Brussels said in a statement that it was "relieved" to see the EU reach a consensus on the deal.

"The trilogue agreement is a sign that the EU is honouring its commitments under the deal," it said, allowing Washington and Brussels to "move beyond tariffs" to tackle thorny issues like critical supply chains.

The EU's trade negotiator, Maroš Šefčovič, said the final push to approve the deal came after five hours in "an intensive night" of trilogue discussions between the European Council, European Parliament and the EU's executive, the European Commission.

He said that when the political agreement is formally adopted by lawmakers in the coming weeks, "this outcome will reinforce stability in EU-U.S. trade and open the door even wider to constructive cooperation on many issues of strategic importance."

## Doubts linger over deal's destiny

But there is concern in Europe that the White House may not be able to follow through on the deal after the U.S. Supreme Court this year ruled against the legal authority Trump had used to impose that tax.



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This left Trump looking for substitute authorities, and his administration has imposed a 10% tax while investigating trade imbalances and national security issues, to impose new tariffs to make up for lost revenue.

In May, a federal court said that Trump had overstepped the **tariff power** that Congress had allowed the president under the law, making the new tariffs “invalid” and “unauthorized by law.”

That would potentially include tariffs Trump threatened to levy on EU cars and trucks in a social media post where he also **criticized the EU** over the deal for not “as usual” sticking to it, without detailing the source of tensions.

After the EU had pushed the deal through its internal democratic processes, it now awaits a positive reaction from Washington, said Lange, the EU lawmaker.

“That’s, of course, a big question mark. I have not my crystal ball here with me,” he said.