

[View in browser](#)

### **Tariffs for EU Autos, Parts to Drop to 15% as Early as Sept. 1**

The U.S. will lower tariffs on EU goods covered by the automotive Section 232 action from 25% plus the most favored nation rate to a flat 15% as soon as the European Parliament introduces legislation to eliminate its industrial tariffs. A joint statement issued by the two sides Aug. 21 said the "tariff reductions are expected to be effective from the first day of the same month in which the European Union's legislative proposal is introduced."

A senior U.S. official, speaking on background on a call with reporters ahead of the statement's release, gave this example: if legislation is introduced in the EU on Sept. 15, the auto tariffs would be reduced to 15% retroactive to Sept. 1. If the legislation is not introduced until October, the relief would start Oct. 1.

The joint statement, which follows an initial agreement reached between the U.S. and EU in July, said, "No Section 232 automobile or automobile parts tariffs will apply to covered European Union goods with an MFN tariff of 15 percent or higher; and for covered goods with an MFN rate lower than 15 percent, a combined rate of 15 percent, comprised of the MFN tariff and Section 232 automobile tariffs, will be applied."

The U.S. also promised that Section 232 actions on pharmaceuticals, semiconductors and lumber would not result in a tariff rate of more than 15%, including the MFN rate, for EU-originating goods.

Starting Sept. 1, there will be no reciprocal tariff, only the MFN rate, for "unavailable natural resources (including cork), all aircraft and aircraft parts, generic pharmaceuticals and their ingredients and chemical precursors."

The statement says that the U.S. will consider removing the 15% tariff on "other sectors and products that are important for their economies and value chains."

The statement says the U.S. and EU "will negotiate rules of origin that ensure that the benefits" of the agreement accrue predominantly to the U.S. and EU.

The statement says the U.S. will "consider the possibility to cooperate on ring-fencing their respective domestic markets [for steel and aluminum] from overcapacity, while ensuring secure supply chains between each other, including through tariff-rate quota solutions" for both the metals and derivative products.

The statement said that the EU will return Aug. 21 to zero duties on fresh and frozen lobster from the U.S. -- that had expired at the end of July -- and will expand the duty-free treatment to processed lobster.

It also intends "to provide preferential market access for a wide range of U.S. seafood and agricultural goods, including tree nuts, dairy products, fresh and processed fruits and vegetables, processed foods, planting seeds, soybean oil, and pork and bison meat."

[View Our Latest Updates](#)

Get a Quote

American Shipping Company, 250 Moonachie Road, Moonachie, NJ 07074, USA

[Unsubscribe](#) [Manage preferences](#)