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Questions and Answers on the US reciprocal tariff policy

The European Commission considers President Trump's proposed “reciprocal” trade policy as a step in the wrong direction. The EU remains committed to an open and predictable global trading system that benefits all partners. Against this backdrop, the EU Commission has published a question-and-answer guide on the US reciprocal tariff policy.

The EU maintains some of the lowest tariffs in the world and sees no justification for increased US tariffs on its exports. Tariffs means taxes. By imposing tariffs, the US is taxing its own citizens, raising costs for businesses, stifling growth and driving inflation. Tariffs increase economic uncertainty and disrupt the efficiency and integration of global markets.

The following issues, among others, are addressed in the Q&A:

- What is the current value of EU-US trade and investment?
- Does the EU have a trade surplus vis-à-vis the US?
- Is Value-Added Tax a tariff? What is the purpose of the VAT?
- How does the WTO consider internal taxes like VAT and are they allowed?
- Does the US charge internal taxes to goods and services?
- What is the current average tariff rate charged by the EU on imports from the US and rom the EU?
- Has the EU offered to lower certain tariffs, like car tariffs, for the US?
- Doesn't the US have a point about an asymmetry in tariffs, such as the EU's 10% tariff on cars compared to the US's 2.5% tariff?

More details to be found in the Commission’s **press release of 18 February 2025**.

Keywords

Trading, customs