



Remarks by Commissioner Šefčovič at the joint hearing of the Committee on International Trade on trade relations with the United States and a Structured Dialogue

Brussels, 20 March 2025

Dear Chair, dear Bernd,

Honourable Members.

It is a pleasure to be here in front of the Committee on International Trade.

As you already highlighted, this is the fourth time I have been here since the new Commission mandate started on 1 December. On top of that, there have been quite a few monitoring groups, and we have also been together in several Plenary sessions.

This reflects the dynamic, the unpredictability, of this new global trade pattern.

I very much look forward to hearing your thoughts on all the issues I will raise, which will contribute to defining our strategy moving forward.

The EU and the US enjoy the largest bilateral trade and investment relationship in the world, with transatlantic trade in goods and services worth EUR 1.6 trillion in 2023. EU-US bilateral investment flows top more than EUR 5 trillion.

Together, EU-US trade and investment support some 10 million jobs on both sides of the Atlantic.

It should be a priority for both sides to protect and further develop this relationship and to work together on shared challenges. This is the message I delivered last month in the US and which I will continue to convey.

I am convinced that continued engagement and a positive approach is the best way forward. However, I have always been clear with my US counterparts that we will react firmly and proportionally if we are hit by unjustified measures.

On 12 March, the US imposed 25% tariffs on EUR 26 billion of EU steel and aluminium exports. This is approximately 5% of total EU exports to the US.

More EU products might be subject to tariffs in the coming days.

I want to be clear. These are unjustified tariffs harming EU companies, workers and citizens. The EU is clearly not the source of the problem when it comes to steel and aluminium.

The real problem is overcapacity. This means the way forward should be EU-US cooperation to tackle the root causes of overcapacity.

As you will have seen, yesterday we adopted a new Steel and Metals Action Plan in which trade policy plays an instrumental role.

On 12 March, in reaction to the imposition of these unjustified tariffs, the Commission responded firmly by announcing swift and proportionate countermeasures on US exports to EU.

This package includes the suspended EU countermeasures from 2018 and 2020 that target a range of US products, in response to the economic harm done on EUR 8 billion of EU steel and aluminium exports.

The Commission has also launched a new process for the adoption of further measures to respond to the expansion of the US section 232 tariffs hitting EUR 18 billion of EU exports.

On this, the Commission has published a list of products imported from the US for possible inclusion in an expanded package of countermeasures. We have invited all stakeholders to submit their views by 26 March.

In the light of the recent announcement that the US is planning to introduce additional tariffs on 2 April, we are now considering to align the timing of the two sets of EU countermeasures, so we can consult with Member States on both lists simultaneously.

It also gives us extra time for negotiations to try to find a mutually agreeable resolution.

As a result, all the EU's countermeasures that were announced on 12 March would in that case take effect in mid-April.

This approach would allow us to deliver a firm, proportionate, robust and well-calibrated response to the US measures.

While at the same time, I have been entrusted by President von der Leyen to continue talks to try to find a solution with the US.

As far as we understand, the US plans to impose reciprocal tariffs on 2 April on its trading partners for what it considers "unfair and unbalanced trade".

For them, this should serve as a baseline for redefining and rebuilding US trading relations with the rest of the world. Only then may partners be able to engage on possible negotiations.

When it comes to EU tariffs on US goods, the average is very low, at around 1%. However, it is clear that the US will also take into their calculations what they consider to be non-tariff barriers, like value added taxes or EU regulations.

At the moment, there is not enough clarity on what the percentage level of such tariffs would be, what goods they would cover, and how they will apply.

I am engaging with my US counterparts to better understand the US plans and look for possible solutions.

Meanwhile, we also continue working on our preparations. On 2 April, we will need to assess the action take by the US and keep a flexible approach so as to calibrate our response accordingly.

In addition to the reciprocal tariffs, the US has launched a section 232 investigation on copper and wood, including derivatives, which could lead to additional tariffs or other restrictive measures. The US is also considering measures on shipbuilding that could have negative effects for EU maritime transport firms.

We are following all these developments very closely. We will again need to be ready to act firmly, swiftly, and proportionately if needed.

But allow me to reiterate that this is not our preferred scenario and I will continue engaging with the US to see if we can avoid any unnecessary escalation.

This is the same message that the Commission is delivering to the Member States, and I am pleased to say that the sense of EU unity and solidarity is strong. We stand united.

We are firm in our resolve to protect our interests, while continuing to invite the US to engage constructively.

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Honourable Members.

Let me now turn to the second topic of this joint hearing.

I am very happy to have my first Structured Dialogue with your Committee.

I want to start by underlining the importance attached by the Commission, and myself personally, to working in close cooperation with you.

So I am very pleased to have this opportunity to exchange with you on a number of other trade-related issues.

First, I want to touch on the four ongoing legislative files.

On the Generalised Scheme of Preferences review, I recognise the strength of feeling when it comes to the two outstanding issues concerning the readmission conditionality and safeguard mechanisms for agricultural products, but we need to find a way through these issues.

I want to reiterate my commitment to help facilitate a way forward.

On the Foreign Direct Investment Screening Regulation, we see much swifter progress.

I look forward to trilogues starting in May, and I see no reason for us not to complete this work by the end of this year.

I also want to highlight the Commission's recent proposal for the imposition of tariffs on the remaining agricultural goods and nitrogen-based fertilisers imported from Russia and Belarus.

And the Commission has also proposed a plan to support Ukraine's iron and steel sectors, which would continue to exempt their imports into the EU from the EU's global safeguards.

We count on the Parliament's support to adopt this legislation swiftly and efficiently.

Turning to our network of Free Trade Agreements, which has a key role to play in boosting Europe's competitiveness.

We already boast 44 preferential trade agreements covering 76 countries and 44% of EU trade. And this network is set to grow, as many around the world turn to the European Union as a reliable, open partner, in an increasingly polarized economic climate.

Work continues internally to sign agreements with Mercosur and Mexico, following the recent conclusion of negotiations. We aim to send texts to the European Parliament and the Council in the spring for Mexico, and the summer for Mercosur.

Here I want to touch on the concerns I know many of you have with regards to communication between us on the agreement with Mexico.

This was a rapidly-changing situation, which evolved over the Christmas period.

These negotiations, as will be the case with many others, were very intense. But I want once again to underline my commitment to ensuring you are properly consulted, and receive timely and detailed information, whenever possible.

Moving to ongoing negotiations, the tenth round with India kicked off here in Brussels last week.

As you know, the President, together with Prime Minister Modi, announced the target to conclude these negotiations by the end of 2025.

This demonstrates our strong commitment to finding a deal, and we are pleased to see this echoed by our Indian counterparts.

However, gaps still remain.

Discussions will intensify in the coming weeks and months, and I am optimistic that further progress can be made.

I also had talks earlier this month with Thailand's Minister of Commerce, Pichai Nariphaphan.

It is still early days, but we see positive engagement and a good consolidation of the texts advancing in all chapters.

On Indonesia, extensive talks at technical and chief negotiator level continue on the key outstanding issues, which are crucial to finding an agreement that brings value and delivers on the EU's key commercial interests.

On the Philippines, the second round of talks last month were productive, and we see steady progress and continued engagement on both sides. The third round is scheduled to take place in June.

Finally, on the Gulf Cooperation Council. We are working hard, both with the GCC as a region as well as individual GCC countries, to move forward here.

I also want to inform you that the United Arab Emirates is interested in advancing our negotiations, so

we are now in the process of closing the scoping exercise for a potential Free Trade Agreement.

We should not limit ourselves to thinking of trade simply in terms of FTAs, however. We must be much broader and cohesive in our engagement with third countries.

The recent conclusion of a Digital Trade Agreement with South Korea is testament to this.

Work towards the first Clean Trade and Investment Partnerships is also taking shape.

CTIPs are intended to bring a holistic approach to our relations with third countries, better aligning our engagement on clean trade, investment, and development.

We have now launched negotiations with South Africa, as announced by President von der Leyen during the EU-South Africa Summit last week.

Similarly, our first Sustainable Investment Facilitation Agreement with Angola entered into force on 1 September 2024.

And discussions are also taking place with other partner countries looking to work with the EU to improve their investment and business climates and attract sustainable investment.

Finally, as you may be aware, I will visit China next week.

China remains an important partner for the EU and my intention is to:

- engage proactively on areas of divergence;
- raise our concerns related to the level playing field and the impact on the EU, which we cannot leave unaddressed;
- seek resolution to concrete market access issues; and
- discuss how to ensure that Chinese Foreign Direct Investment into the EU actively supports the development of EU value chains and technology.

I look forward to providing a full debrief of my trip to Members at the appropriate time on my return.

I will stop there, and I look forward to our exchanges.