

EU to plan retaliation against US tariffs

ALBERTO NARDELLI

20 July

European Union (EU) envoys are set to meet as early as this week to formulate a plan for measures to respond to a possible no-deal scenario with US President Donald Trump, whose tariff negotiating position is seen to have stiffened ahead of an August 1 deadline.

The overwhelming preference is to keep negotiations with US on track in a bid for a negotiated outcome to the impasse ahead of next month's deadline. Still, efforts have yet to yield sustained progress following talks in Washington last week, according to people familiar with the matter.

Negotiations will continue over the next two weeks.

The US is now seen to want a near-universal tariff on EU goods higher than 10 per cent, with increasingly fewer exemptions limited to aviation, some medical devices and generic medicines, sev-



ILLUSTRATION: AJAYA MOHANTY

eral spirits, and a specific set of manufacturing equipment that the US needs, said the people, who spoke on condition of anonymity to discuss private deliberations.

A spokesperson for the European Commission, which handles trade matters for the bloc, said they had no comment to make on the ongoing negotiations.

The two sides have also discussed a potential ceiling for some

sectors, as well as quotas for steel and aluminum and a way to ring-fence supply chains from sources that oversupply the metals, the people said. The EU has been seeking wider exemptions than US is offering, as well as looking to shield the bloc from future sectoral tariffs.

While it's long accepted that any agreement would be asymmetrical in favour of the US, the EU will assess the overall imbalance of any

deal before deciding whether to pull the trigger on any re-balancing measures. The level of pain that member states are prepared to accept varies, and some are open to higher tariff rates if enough exemptions are secured, the people said.

Any agreement would also address non-tariff barriers, cooperation on economic security matters, digital trade consultations, and strategic purchases. **BLOOMBERG**

On the table

- EU wants broader exemptions and protection from future sector-specific tariffs
- The bloc has approved €21 bn in retaliatory tariffs targeting politically sensitive US goods
- Additional €72 bn in proposed tariffs likely
- Possible export controls and public procurement restrictions under consideration
- Increasing calls to activate Anti-coercion instrument if US proceeds with tariff threats
- Powers include new taxes on US tech, curbs on investment, limited market access, and contract restrictions

China's rare-earth exports to US surge 7 times in June

China's exports of rare earth magnets to the US in June soared to more than seven times their May level, marking a sharp recovery in the flow of critical minerals used in electric vehicles and wind turbines after a Sino-US trade deal.

Outbound shipments to the US from the world's largest producer of rare earth magnets surged to 353 metric tons in June, up 660 per cent from May, data from the General Administration of Customs showed on Sunday. China, decided in early April to add several rare earth items to its export restriction list in retaliation for US tariffs. **REUTERS**

Bangladesh signs wheat-import deal with US amid tariff pressure

Bangladesh signed a deal on Sunday to import 700,000 tonnes of wheat annually from the US over the next five years, in a move aimed at securing tariff relief from the Trump administration amid growing trade tensions, officials said.

The agreement formalised through a memorandum of understanding inked in Dhaka between the Ministry of Food and trade group US. Wheat Associates comes at a critical moment, with Washington set to impose a 35 per cent tariff on Bangladeshi exports from August 1. **REUTERS**