

EU will launch case at WTO against new U.S. metals tariffs, vows counter-measures



Brussels, June 1 (RHC)-- The European Union says it intends to launch a case at the World Trade Organization (WTO) against a U.S. move to impose new import tariffs on the bloc's steel and aluminum, as the two sides are on the brink of a full-scale trade war. "The U.S. has sought to use the threat of trade restrictions as leverage to obtain concessions from the EU. This is not the way we do business, and certainly not between longstanding partners, friends and allies," said Cecilia Malmstrom, the EU's trade commissioner, in a statement.

She added that the bloc's response to the U.S. proposed measures would be proportionate and in accordance with the rules and regulations of the WTO. "We will now trigger a dispute settlement case at the WTO, since these US measures clearly go against agreed international rules."

Malmstrom also said that the EU would adopt rebalancing counter-measures and take other necessary steps to safeguard the bloc's market from "diversion" caused by Washington's restrictions. However, she gave no details of the EU counter-measures against Washington. But the European Commission, the EU's executive arm, has previously prepared a 10-page list of American products that would be potential targets of retaliation, including peanut butter, motorcycles and denim jeans, which could get extra import

duties.

Germany and France say that they will respond "firmly" to the U.S. if it imposes tariffs on European steel and aluminum. Earlier in the day, Jean-Claude Juncker, the head of the European Commission, lashed out at the new U.S. tariff measures, saying they were "unilateral" and "unjustified," which were "at odds" with the WTO rules. He also promised to announce steps to hit back "within hours," defending the "counterbalancing measures" as "pure and simple protectionism."

On March 8, U.S. president Donald Trump said that he was moving to impose a 25-percent tariff on steel imports and a 10-percent tariff on aluminum imports from Canada, Mexico and the EU, ending a two-month exemption and potentially setting the stage for a trade war with some of top US allies.

Trump argued at the time that enormous flows of imports to the U.S. were putting in jeopardy the American national security, making an odd departure from a decades-long U.S.-led move towards open and free trade.

On Thursday, the U.S. commerce secretary, Wilbur Ross, said that EU companies would face a 25-percent duty on steel and a 10-percent duty on aluminum from midnight, rebuffing Europe's demands for a permanent exemption from new metals tariffs.

Meanwhile, Manfred Weber, the center-right leader in the European Parliament, said that the bloc had no choice but to defend itself and its industries against Washington's proposed tariffs. "We will not accept this highly regrettable decision without reacting."

Britain, which has hopes of agreeing a trade liberalization deal with the US after Brexit, sounded alarm at Ross's announcement, saying London was "deeply disappointed" by the U.S. move. "The UK and other European Union countries are close allies of the U.S. and should be permanently and fully exempted from the American measures on steel and aluminum," said a UK government spokesman in a statement.

Additionally, German Chancellor Angela Merkel strongly criticized the new U.S. duties on metals imports, saying they risked triggering a disastrous "spiral" of retaliatory measures that "in the end, hurt everyone." Merkel's spokesperson Steffen Seibert further said in a statement that Berlin "rejects the tariffs imposed by the U.S. on steel and aluminum. We consider this unilateral measure to be illegal."

In an attempt to prevent a possible trade war, the WTO director general, Roberto Azevedo, has already called on the American leader not to impose hefty tariffs on aluminium and steel exports, saying it could spark a deep global recession. "An eye for an eye will leave us all blind, and the world in deep recession," he told members of his organization on March 7, adding: "We must make every effort to avoid the fall of the first dominoes."

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