

Donald Trump wants more from European Union to lift tariffs, says EU trade chief

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EU Trade Commissioner Cecilia Malmstrom. (AP Photo/Ng Han Guan, File)

Brussels: Europe's proposals to open its markets wider to US products including cars appear not to have persuaded Washington to lift the threat of import tariffs on EU steel and aluminium, the bloc's trade chief said on Tuesday.

US President Donald Trump has set tariffs of 25 percent on incoming steel and 10 percent on aluminium on grounds of national security but has granted EU producers an exemption until June 1 pending the outcome of talks. EU leaders last week agreed on four areas the bloc would be willing to discuss, including easier access for industrial products, but only on condition that the exemption is made permanent.

EU Trade Commissioner Cecilia Malmstrom spoke with US Commerce Secretary Wilbur Ross after the proposals were made public, but said Washington did not seem satisfied. "I think they don't think it is enough," she told reporters before a meeting of EU ministers to discuss trade. Luxembourg Foreign Minister Jean Asselborn seemed equally gloomy about prospects. "I think that on June 1 we will have another deadlock," he said. "Perhaps we will take a step forward in terms of what we can offer the Americans. It could be that we move towards quotas. Everything is open, but it's difficult."

The areas identified for discussion are: greater market access for industrial products, including cars, and to government tenders; energy, notably liquefied natural gas (LNG); possible cooperation among regulators; and reform of the World Trade Organization. Export-oriented Germany, which has been the keenest to avoid a trade conflict, described the EU leaders' proposals as a first step and forecast "intensive discussion" on Tuesday to find a deal acceptable to both Europe and the United States. "Time is running out," German Economy Minister Peter Altmaier said. "We know what is on the menu, now we need to get a good meal together. I think that is feasible."

So far, the United States has given permanent metals tariff exemptions to Australia, Argentina, Brazil and South Korea, but in each case set import quotas. Malmstrom said she could not imagine the EU accepting quotas unless they were at levels of exports in recent years. "But we are under the impression that somehow they want to limit steel to the US, aluminium as well," she said.

- Reuters