

# Take that, America. Europe's tariffs take effect



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LONDON (CNMoney) — Tariffs on more than \$3 billion worth of American exports to Europe took effect on Friday.

The European Union has imposed additional tariffs of 25% on products such as motorcycles, orange juice, bourbon, peanut butter, cigarettes and denim — part of its response to the Trump administration's tariffs on steel and aluminum exports from Europe.

"The trade that we believe in is built on rules, trust, reliable partnership. The United States decision to impose targets on Europe goes against that, in fact it

goes against all logic and history,” European Commission President Jean-Claude Juncker said on Thursday.

“Our response must be clear but measured,” he added during a speech to the Irish parliament.

EU trade officials have described the US tariffs on steel and aluminum – justified by the Trump administration on grounds of national security — as “illegal.”

The bloc has also filed a formal complaint at the World Trade Organization.

The initial wave of EU retaliatory tariffs is aimed at American goods worth €2.8 billion (\$3.2 billion). If the trade dispute continues or is not resolved by the WTO, the European Union could target a second batch of American exports worth around €3.7 billion (\$4.3 billion).

That list includes roughly 160 products such as US sunbeds, paper towels, corduroy pants and porcelain tableware.

President Donald Trump fired back immediately, repeating his threat to impose tariffs on European car exports to the United States.

“Based on the Tariffs and Trade Barriers long placed on the U.S. and it great companies and workers by the European Union, if these Tariffs and Barriers are not soon broken down and removed, we will be placing a 20% Tariff on all of their cars coming into the U.S.” he wrote on Twitter. “Build them here!” he declared.

Last month, Trump instructed his Commerce Department to begin a national security investigation that would provide the legal underpinning for new tariffs on cars.

A transatlantic trade battle could open a second front in a global trade war, with much at stake: The United States and the European Union trade just over €1 trillion (\$1.2 trillion) in goods and services each year.

The EU tariffs came into force just a week after China accused the United States of starting a trade war.

President Donald Trump has threatened to hit \$200 billion in Chinese exports with tariffs, in addition to goods worth \$50 billion the US has already targeted.

Beijing will respond in kind.

American tariffs on steel and aluminum have also hit Canada, Mexico, India, Turkey and China. All five countries have already announced retaliatory measures.

Earlier this month, Mexico imposed a series of tariffs on \$3 billion worth of US exports of pork, apples, potatoes, bourbon as well as different types of cheese.

Canada said its tariffs of up to 25% on nearly \$13 billion of American products will take effect on July 1.

India confirmed this week it would impose retaliatory tariffs on a range of American goods, including apples, walnuts and some chemical and metal products, from August 4.

Turkey said Thursday that it's imposing tariffs worth \$267 million on US goods, targeting items such as coal, paper, walnuts, tobacco, rice, whiskey and cars.

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