

# US-EU trade agreement wins cautious welcome in Germany

BERLIN

Political and business leaders in Germany, Europe's biggest economy, on Thursday welcomed a deal to defuse trade tensions between the U.S. and the European Union, but relief was tempered with caution that details must still be firmed up.

At a meeting in Washington on Wednesday, President Donald Trump and European Commission President Jean-Claude Juncker pulled back from the brink of a trade war over autos and agreed to open talks to tear down trade barriers. But the agreement was vague and the coming negotiations with Europe are sure to be contentious.

The talk about cutting trade barriers "sends an important signal of detente," said Dieter Kempf, the head of the Federation of German Industries.

"The tariff spiral in trans-Atlantic trade appears to have been halted for now," he added. "But now deeds must follow words."

Foreign Minister Heiko Maas, who was on a visit to South Korea, celebrated the agreement as evidence that unity among the European Union's 28 members paid off. "We have seen that when Europe is united, our word counts," he said.

"America and Europe are not enemies," Maas said. "I hope that this realization will once again become what it was until recently at the White House: a matter of course."

He said that the results of the meeting in Washington were above expectations and "we will now have some time."

Juncker said the U.S. and the EU have agreed to hold off on new tariffs, suggesting that the United States will suspend plans to start taxing European auto imports — a move that would have marked a major escalation in trade tensions between the allies.

The head of the German Association of the Automotive Industry, Bernhard Mattes, said the agreement is “good news for business and consumers on both sides of the Atlantic.”

“What has to be done now is to fill the agreement with life and quickly start negotiations,” he added in a statement.

BusinessEurope, an umbrella organization of European business lobbies, declared that “reason has prevailed.”

“The agenda for talks between the EU and the U.S. to de-escalate the current trade conflict is the right one,” said its president, Pierre Gattaz, adding that “European business is ready to give its contribution in the discussions.”

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