



## Questions and answers on the EU-US Joint Statement on Transatlantic Trade and Investment \*

Brussels, 21 August 2025

### General

#### **What are the main aspects of the Joint Statement?**

The Joint Statement defines the new parameters for the EU-US trade relationship and brings back an important measure of stability and predictability in transatlantic trade for the benefit of businesses, workers and consumers on both sides.

The key commitments on both sides include:

- Application across the board of a **maximum, all-inclusive 15% tariff ceiling for EU products** subject to reciprocal tariffs. No additional tariffs will apply for products which are already subject to MFN tariffs equal to or above 15%.
- A commitment from the US to ensure that **EU exports of pharmaceuticals, semiconductors, and lumber are included in the 15% tariff ceiling**, once the results of the corresponding 232 investigations are concluded.
- A commitment to **apply the 15% all inclusive tariff ceiling to cars and car parts** from the first day of the month in which the EU initiates the procedures for implementing the tariff cuts agreed in the deal.
- **Exemptions to the 15% tariff ceiling** (US commits to apply only MFN tariffs, which are effectively zero or close to zero) to the following EU products: **unavailable natural resources (including cork), all aircraft and aircraft parts, generic pharmaceuticals and their ingredients and chemical precursors**. The EU and US will work on **expanding this list further in the future**.
- Intention to work on common solutions to **ringfence the EU and US economies from sources of overcapacity in the steel and aluminium sector**, and to work on secure supply chains, including through Tariff Rate Quota (TRQ) solutions.
- **Mutual commitment to reduce non-tariff barriers**, including via cooperation on standards and streamlining SPS (sanitary and phytosanitary) certificates, and by facilitating mutual recognition of conformity assessments in additional industrial sectors.
- Cooperation on **digital trade** and on the moratorium on e-commerce customs duties.
- Strengthened cooperation in the area of **economic security**, including cooperation on investment screening and export controls, and on combatting non-market policies and practices.
- Increased **supply chain resilience**, cooperation on **critical minerals** and **transatlantic purchases, notably energy and AI chips**.
- Increased transatlantic private sector **investment** flows in a broad range of sectors.
- Recognition of EU plans to **substantially increase procurement of military and defence equipment from the US**, reflecting the shared strategic priority to deepen transatlantic defence industrial cooperation, strengthen NATO interoperability, and ensure that EU Member States are equipped with the most advanced and reliable defence technologies available.

#### **What made it possible to reach an agreement now? What were the outstanding issues for the US that the EU resolved?**

Since the beginning of the negotiations, the EU has been committed to finding a solution that

reestablishes stability and predictability in our trading relations with the US. This has been a complex and lengthy process.

The political agreement of 27 July and the now-published Joint Statement are the first important steps in a process that will achieve these goals, securing continued access for EU exports to the US market and safeguarding transatlantic supply chains, without compromising on EU red lines on regulatory autonomy or market access sensitivities.

The Joint Statement provides a roadmap for continued negotiation and collaboration between the EU and US, including working to improve market access for EU as well as US companies.

### **How does the EU benefit from the deal?**

Our objective is to protect the jobs and firms in the EU that rely on trade with the US and avoid the risks posed by uncertainty. With this framework we stabilised the situation, gave EU firms clarity and predictability about the tariffs they will face on the US market, while ensuring they retain a competitive position as well as the continued good functioning of transatlantic supply chains. With this framework in place, the EU and US will now work on further expanding market access and increasing trade with each other.

### **Is this a fair deal?**

The result obtained by the EU compares well to results obtained by other US trading partners. The deal safeguards the competitiveness of EU exports into the US in a situation where the US has increased tariffs on all its imports. EU exports will continue to be in a strong position on the US market in comparison to other US trading partners.

The necessary space has also been created to further engage with the US on improving market access conditions across the Atlantic, including by further lowering of tariffs for additional sectors or working together on addressing non-tariff barriers.

### **On market access – US offer**

#### **Can you explain the new tariff regime the US agreed to implement for the EU?**

The US has committed to substantially improving tariff treatment for EU exports to the US by establishing a **single, all-inclusive US tariff ceiling of 15% for EU goods**.

The US will also provide special treatment for a number of strategic products, such as aircraft and aircraft parts, generic pharmaceuticals, and unavailable natural resources (including cork), making them subject to MFN tariffs only. The EU and US will keep working to add more products to the list of such exemptions.

This delivers on the clearly expressed needs of EU exporters, for whom the agreed immediate tariff relief is of the utmost importance.

#### **What products will be subject to the 15% ceiling tariff?**

The 15% ceiling applies to nearly all EU exports previously subject to "reciprocal" tariffs. The ceiling will also apply to products that are currently or may be in the future subject to the US Section 232 of the Trade Expansion of 1962 measures, notably cars, pharmaceuticals, semiconductors and lumber.

For steel, the EU and US intend to work on solutions to ensure secure supply chains, including tariff rate quotas, while cooperating on measures to ringfence their economies from overcapacity.

#### **Will the ceiling also apply to cars and car parts that currently face a tariff up to 27.5%?**

Yes. The US has committed to replace the current 27.5% tariffs on cars and car parts with the 15% tariff ceiling. This will be carried out in tandem with the EU initiating the procedures for the legislative proposals to reduce tariffs on US products.

#### **How will the 15% tariff be applied in practice?**

Under this new tariff regime, EU products exported to the US will face a maximum 15% duty, which already includes the US Most Favoured Nation (MFN) tariff. Where the current US MFN is equal to or higher than 15%, only the MFN rate will continue to apply. The US has reserved this treatment so far only for the EU (with the exception of Canada and Mexico), while for other trading partners tariffs

apply on top of existing MFN tariffs.

For example, the US previously had a 14.9% ad valorem tariff on cheese. The new tariff for EU cheese will be 15% all inclusive, so 0.1% more than the previously applicable rate. Whereas other countries must add the 14.9% ad valorem tariff to their headline tariff rate. Therefore countries with a 10% headline tariff face a total tariff rate of 24.9% for their cheese exports, while countries with a 35% headline tariff face a total tariff rate of 49.9% for their cheese exports.

### **Who pays for the new tariffs? Is it European or American companies?**

Tariffs are paid by the company importing the imported goods. So, for tariffs imposed by the US, it is the American importer who pays.

For example, if a European company exports shoes to the US, the US company buying these shoes owe the tariffs to the US government.

In many cases, the importing company will push to offset some of this cost either by asking for a discount from the supplier or by raising the price for end consumers. In the end, it is usually the consumers (in this case, US consumers) who will indirectly pay for the tariffs.

### **Can you give examples of how the tariff ceiling will apply to different products?**

Let's take the example of a machine with a US MFN tariff of 4%. Before the EU-US political agreement, the overall tariff on this machine would be 14%, because it includes the 10% universal tariffs plus the 4% MFN tariff. Now, with the agreement, the machine would be subject to a 15% all-inclusive tariff.

The same will apply for a bike with a US MFN of 11%, where the 15% tariff will apply instead of the current 21%, resulting from the "stacking" of the 10% reciprocal tariff plus the 11% US MFN duty.

On the other hand, a heavy truck for which the US applies a 25% US MFN tariff, will keep the 25% tariff overall with no additional top up. This is an improvement compared to the present where trucks were subject to 35%, i.e. 10% reciprocal and 25% MFN tariff.

### **What tariff regime applies to steel and aluminium?**

For steel and aluminium and their derivatives, the EU and US have agreed to cooperate on ringfencing their markets from global overcapacity with protective measures, and to work on secure supply chains between each other, including through TRQ solutions. The EU will move forward in line with the Steel and Metals plan, having recently launched a public consultation on possible future measures ([link](#)).

### **What about the pending US 232 investigations – do you expect tariffs to be imposed on the EU in these sectors?**

For pharmaceuticals, semiconductors, and lumber, the 15% percent tariff ceiling will apply for EU exports, regardless of any future tariffs resulting from the outcome of 232 investigations in these sectors.

This brings much-needed certainty to EU exporters.

The tariffs on pharmaceuticals and semiconductors do not apply immediately. The 15% tariff will only apply once the US decides on whether to impose additional tariffs. Until then the US MFN tariffs apply.

### **On market access – EU offer**

#### **What is the EU offering to the US in terms of market access?**

The EU will increase market opportunities for US exports by eliminating tariffs on industrial goods imported from the US as well as improving significantly market access for certain seafood, nuts, dairy products, fresh and processed fruits and vegetables, processed foods, grains and planting seeds, soybean oilseeds, pork and bison meat. In general, these tariff reductions will be implemented via product-specific Tariff Rate Quotas (TRQs). The specific products, and their accompanying TRQs and tariff levels will be published in due course.

As a result, the EU will be liberalising access for most US exports, making imports that EU industry and end-consumers need cheaper and more available, without compromising on any of the EU's sensitivities.

## **What does the EU-US deal bring for farmers on both sides of the Atlantic?**

This deal brings improved market access for sales of US agricultural goods that the EU needs. Already today, the US is a major source of nuts, Alaska pollock or sorghum grains. The EU's food processing industry will therefore benefit from cheaper and more secure access of key inputs.

On the other hand, EU exporters will gain certainty and predictability on the conditions for export to the US. The US is the second largest market for EU agri-food exports, and a market that delivers steady growth. High quality and traditional EU food and drink products, are in high demand, and this deal gives EU exporters the stability they need to continue exporting.

## **What about the products such as beef, poultry, rice or ethanol – are these covered by the EU offer?**

No, they are not covered. From the outset, our position has been that liberalisation from the EU side does not concern any sensitive agricultural products.

Rather we are opening new opportunities to allow increased imports of products that EU industry needs and consumers buy, such as nuts, soya bean oil, certain fisheries, or processed foods including ketchup.

## **How were the sectors where the EU is offering better market access in the agri-food sector selected?**

The choice of sectors was mainly guided by the idea of how and where the EU can meaningfully increase market opportunities for US exporters, while at the same time ensuring cheaper and necessary inputs for EU industry – and importantly, protecting the EU's sensitivities.

## **Can you explain in what areas the EU will increase market access for industrial goods?**

The EU will improve access for all industrial products. Two thirds of industrial goods were already imported tariff free, and the remaining exports were subject to already low tariffs.

The EU will therefore bring these tariffs to zero, cutting costs for EU importers by almost €5 billion.

## **On non-tariff barriers**

### **What has been agreed in terms of reduction of non-tariff barriers?**

The EU and US agreed to work to reduce non-tariff barriers. Cooperation on standards and on conformity assessments as well as streamlining SPS (sanitary and phytosanitary) certificates should make trade between the EU and the US easier.

### **Are these commitments on non-tariff barriers in line with the EU's regulatory autonomy?**

Yes. The EU has been firm on defending our fundamental principle - our legislative framework and our regulatory autonomy are not up for negotiation.

The Joint Statement fully respects that principle, and the Commission will continue to protect the EU's regulatory autonomy as we move forward to negotiate further details.

### **What will the cooperation with the US on standards look like?**

The EU and US will enhance technical cooperation between our respective standards development organisations. We want to identify and develop standards for the transatlantic marketplace in key sectors of mutual interest, with a view to making trade across the Atlantic easier.

### **What about conformity assessments – is that something you will be looking at?**

The EU and US commit to facilitate conformity assessments to cover additional industrial sectors. We already have Mutual Recognition of Conformity Assessment (MRA) with the US for many years, including for example on telecommunication equipment, electromagnetic compatibility, or pharmaceutical good manufacturing practices.

The EU and US will also commit to negotiate a mutual recognition agreement on cybersecurity.

### **The agreement says you will “streamline requirements for sanitary certificates”- is the EU loosening its SPS regime for the US?**

There is no question of negotiating EU sanitary and phytosanitary rules or standards. This is a clear red line.

What the EU and the US have agreed to do is to look at ways to resolve long-standing SPS concerns. We will look at concrete cases of specific applications on both sides.

As part of this exercise, we will also look into streamlining requirements for sanitary certificates.

### **Is the EU committing to give better treatment to US exporters of CBAM goods?**

No. We have not committed to change CBAM in any specific way, nor to provide more favourable treatment to US companies under CBAM.

What we have agreed is to work to provide additional flexibilities in the implementation of CBAM for all companies, and especially for small and medium-sized companies. This is something the Commission is already doing as part of its [simplification agenda](#) and in line with its commitment to further streamline EU legislation and improve its implementation.

### **The deal addresses the EU's Corporate Sustainability Due Diligence Directive (CSDDD) – what has the EU agreed to?**

We have agreed to exchange views with the US on CSDDD related issues. The guiding principle of our discussions with the US has been to ensure that the Directive does not result in an unnecessary administrative burden, especially for small and medium size companies. This is something that the Commission is committed to, as shown by our proposal to simplify the CSDDD currently with the Parliament and Council.

This cooperation does not lead to any changes to EU domestic rules nor will we grant US companies more favourable treatment under this Regulation or any EU Regulation.

### **How does the deal address US concerns on the EU Deforestation Regulation (EUDR)?**

We have agreed to exchange views with the US on the EUDR.

The US has been classified as a low-risk country and therefore a reliable partner from which EU importers can source their products deforestation free.

Having a platform for discussing the implementation of the EUDR with the US will be valuable to ensuring that the EUDR does not result in unnecessary barriers to transatlantic trade.

This is in line with the Commission's commitment to implement the EUDR in a spirit of partnership, transparency, communication and open dialogue with all partner countries.

### **What does the EU-US deal mean for European digital regulation (DMA, DSA)?**

Nothing. The Joint Statement does not include any commitment on EU digital regulations. We have made it very clear to the US that changes to our digital regulations – the Digital Markets Act and the Digital Services Act – were not on the table.

### **Are there any plans to strengthen digital trade across the Atlantic?**

Yes, the deal opens the door for cooperation on digital, including by reiterating our shared commitment not to impose customs duties on electronic transmissions and to continue to support the multilateral moratorium on customs duties on electronic transmissions at the World Trade Organization and seek the adoption of a permanent multilateral commitment.

### **What does the EU-US deal mean for the digital taxes that some Member States have on their books?**

Nothing. The EU-US deal has no impact on Member States' digital services taxes (DSTs). This is why the Joint Statement does not contain any reference to DSTs.

### **Other key areas of cooperation**

#### **What does the deal foresee in terms of investments?**

The EU and the US business communities already heavily invest on both sides, benefitting from strong local footprints and closely intertwined supply chains. Total bilateral investment reached \$5.6 trillion in 2022.

Stability and predictability are a major driver of investment. EU companies have expressed interest in investing at least \$600 billion (ca. €550 billion) in various sectors in the US by 2029, further boosting the already significant €2.4 trillion in existing investment and reinforcing their position as the number one investor in the US.

### **How did you reach the figure of \$600 billion in investments in the US? How was this figure calculated?**

The announced investment target is fully based on private investment intentions from EU companies. The total figure is based on detailed contacts and discussions with different business associations and companies.

### **How were the commitments on purchases of energy or AI chips calculated?**

The EU wants to ensure the secure supply of strategic inputs from reliable partners, including the US. Over the past year the US has become a key supplier of energy products. Just last year, for example, the EU purchased energy fuels, notably gas and oil, worth around €70 billion.

The EU therefore intends to procure US liquified natural gas, oil, and nuclear energy products with an expected offtake valued at \$750 billion (ca. €700 billion) over the next three years. This will contribute to replacing Russian gas and oil on the EU market.

The purchases themselves are not done by the EU or the Commission itself. The Commission acts as a facilitator to help ensure Member States have sufficient energy resources.

The EU also intends to purchase €40 billion worth of AI chips – these are deemed essential to maintaining the EU's technological edge. This commitment is fully in line with the EU's digital transition strategy.

The EU is investing in building so-called AI Factories across Europe, which rely on a secure and uninterrupted access to the hi-tech chips that are produced by the US.

### **What is the EU committing to in terms of avoiding technology leakage?**

The EU only commits to work closely with the US to ensure that the state-of-the-art chips used for AI do not end up in hands of untrustworthy parties.

### **Next steps**

#### **What are the next steps?**

The Joint Statement is a political agreement on how to take our trade and investment relationship with the US forward. Both sides will now rapidly engage to implement key commitments contained in the Joint Statement.

#### **How will the EU implement this agreement?**

To the extent that legal implementation is necessary on the EU side, it will be taken forward in accordance with the applicable EU procedures and in consultation with Member States and the European Parliament.

#### **When will the EU implement the improvement to the market access and cut tariffs?**

The exact timelines and modalities for implementing these commitments will now be worked out rapidly but the EU intends to proceed rapidly to ensure that also the US applies tariff relief for EU vital sectors.

#### **What is the legal basis for this Joint Statement?**

The Joint Statement is a political text and not legally binding. Member States have been duly involved throughout the process and endorse the outcome.

Further negotiations with the US, and implementation of the key commitments contained in the Joint Statement, will take place in line with the relevant EU procedures.

#### **For more information**

[Joint Statement](#)

[Press release](#)

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