

Flash Note
27/07/2018

Alex Fusté

[@AlexfusteAlex](#)

alex.fuste@andbank.com

US and EU de-escalate trade tension

The US and EU agreed to work together toward zero tariffs on non-auto industrial goods. Trump noted the EU will almost immediately boost purchases of US soybeans.

The two leaders also plan to strengthen strategic energy cooperation, set up a working group to carry out a joint trade agenda and reform the WTO.

Trump said the issue of steel and aluminum tariffs, as well as retaliatory tariffs, will get resolved.

Juncker noted as long as talks are ongoing, US and EU will hold off on further tariffs

German politicians and business leaders have cautiously welcomed the agreement that Juncker and Trump made on trade, but some wonder whether the US president will stick to his word.

DW noted that German Economy Minister Altmaier was among the first to express his approval and Foreign Minister Mass also declared Juncker's negotiations as a success for European solidarity. The German chamber of commerce and the federation of German industry, said the spiral in tariffs has been stopped for now, but words have be followed with actions.

Best