

EU Considering Retaliatory Measures on U.S. Exports of Whiskey, Juice, and Dairy Products Over Steel

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July 20, 2017

The European Union is threatening to impose retaliatory measures on several key export products, including whiskey, orange juice, and dairy products, if President Trump follows through with plans to limit steel imports based on national security concerns.

At a G20 summit in Hamburg on July 7, 2017, European Commission President Jean-Claude Juncker said that the EU is prepared to “react with counter-measures” within “days” if President Trump imposes steel tariffs. According to the [Financial Times](#), because U.S. does not export much steel to Europe, EU officials are targeting U.S. agriculture products and other “politically sensitive” products with bourbon whiskey, orange juice and dairy at the top of the list.

In April 2017, the U.S. Department of Commerce initiated an investigation under Section 232 of the Trade Expansion Act of 1962 to determine whether steel imports are threatening U.S. national security. The investigation is still ongoing and it is possible that the Commerce Department may issue a report before the end of the month with a recommendation to impose tariffs on all steel imports. The EU is concerned that such measures would not only hurt China, but that steel industries in U.S. ally countries, such as Canada, Germany, Japan and South Korea, would likely suffer the biggest impact of any such measure.

The EC is using the threat of retaliation as leverage to convince the Trump Administration to exempt EU steel from the scope of any restrictions on steel. It is not clear what the Administration will do, or whether the EU itself would be violating international trade rules if it retaliates without a finding by the WTO that any steel restrictions by the U.S. were themselves a violation of the United States' WTO obligations. At this point, there is a great deal of political posturing without a timeline for resolution of this potential dispute.