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The European Union cuts tariffs on U.S. imports under a new trade regulation

The measure opens quotas for selected American goods as Brussels keeps powers to suspend preferences if Washington backtracks

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The European Union has published a new regulation that cuts or removes customs duties on a range of imports from the United States and opens tariff quotas for other U.S. goods, formalizing part of a trade framework negotiated after a year of tariff tensions across the Atlantic.

The measure, Regulation (EU) 2026/1455, was adopted by the European Parliament and the Council on June 25 and published in the Official Journal of the European Union on Monday. It takes effect the day after publication. The legal text says the move is meant to support a more stable trading relationship between the EU and the United States after a series of U.S. tariff actions in 2025 and 2026 disrupted trade flows and raised costs for European companies.

Under the regulation, the EU sets the applicable common customs tariff at 0% for industrial goods from the United States listed in one annex to the law. For another group of products, the ad valorem part of the tariff will no longer apply, although any specific duty tied to import prices will remain in place. The regulation also opens EU tariff quotas for selected U.S. goods, with preferential rates applying within those quota volumes.

Those quotas will begin on July 1, 2026, and run in successive 12-month periods. The European Commission and member states will manage them under the EU’s existing tariff quota system.

The regulation stems from a political agreement reached on July 27, 2025, between European Commission President Ursula von der Leyen and the U.S. president, later reflected in a joint statement issued on August 21, 2025. In that statement, according to the regulation, Washington committed to modify certain tariffs affecting EU exports so that the applicable rate would be reduced to a general ceiling of 15%. The United States also said it would apply only most-favored-nation tariffs to certain EU products, including cork, aircraft and parts, generic medicines and their ingredients, and chemical precursors.

In return, the EU committed to eliminate customs duties on all industrial goods from the United States and to grant preferential market access for a broad range of American fishery and agricultural products. The regulation cites nuts, dairy products, fresh and processed fruits and vegetables, processed foods, seeds, soybean oil, pork and bison meat among those categories.

The legal text places that agreement in a wider economic context. It says total two-way trade between the EU and the United States exceeded €1.6 trillion in 2024, while mutual investment stocks were worth about €5.3 trillion. It describes deeper economic integration as strategically important at a time when Russia’s war against Ukraine continues to affect Europe’s essential security interests.

At the same time, the regulation makes clear that Brussels is not giving up its ability to respond if Washington changes course. The Commission is granted power to suspend all or part of the tariff preferences and quotas created by the new law if the United States fails to carry out the August 2025 joint statement, undermines its objectives, signals that it may do so in the future, or if objective circumstances change from those that existed when the statement was made.

The text points directly to the tariff escalation that led to this arrangement. It says that beginning March 12, 2025, the United States imposed additional tariffs of 25% on steel, aluminum and derivative products. On April 3, 2025, it imposed an additional 25% tariff on cars. On April 5, 2025, it introduced an additional tariff on imports from all trading partners, including a baseline rate of 10%, with possible country-specific rates replacing that baseline depending on bilateral trade balances.

For the EU, the announced country-specific rate was 20%, though Washington said on April 9, 2025, that it would delay those country-specific tariffs for 90 days while keeping the baseline 10% rate in place for all partners. The regulation also notes that an additional 25% tariff on auto parts took effect on May 3, 2025; tariffs on steel and aluminum imports were raised to 50% on June 4, 2025; a U.S. announcement on July 12, 2025 said the baseline 10% tariff for EU goods would be replaced by a country-specific rate of 30% starting August 1, 2025; and additional tariffs of 50% were imposed from August 1, 2025 on copper imports and derivative products.

Even after the political agreement of July 2025, some major disputes remained unresolved. The regulation says the U.S. ceiling of 15% did not apply to steel and aluminum, leaving in place U.S. tariffs of 50% introduced in 2025. It adds that the U.S. Commerce Department announced in August 2025 that it was adding 407 product categories to its list of derivative steel and aluminum products subject to Section 232

tariffs. That list and the method used to apply those tariffs were changed again on April 2, 2026.

According to the EU text, those measures and related administrative requirements made trans-Atlantic trade less stable and had serious economic effects on affected businesses in Europe and their workers. It says small and medium-size companies and downstream industries were hit especially hard because their competitiveness in the U.S. market was weakened.

For that reason, the regulation gives the Commission another specific power tied to metals trade. If by December 31, 2026, the United States is still applying tariffs above 15% on derivative steel and aluminum products imported from the EU, Brussels may adopt an implementing act suspending application of this regulation for goods covered by chapters 72, 73 and 76 of the combined nomenclature.

The law also includes a safeguard mechanism aimed at protecting EU industry if lower duties or new quotas lead to a surge in imports from the United States that causes or threatens serious injury. That safeguard can apply not only to manufacturing but also to agriculture.

That point matters beyond heavy industry because changes in tariffs and quota access can alter landed costs for food and farm products moving into Europe from the United States. For beverage companies, even when wine or spirits are not named directly in this regulation, shifts in broader agricultural trade can affect ingredient markets, shelf pricing, distribution strategies and competition across categories tied to processed foods and farm supply chains.

The regulation says origin will be determined under existing EU non-preferential rules until specific preferential rules of origin are negotiated as foreseen in the joint statement with Washington.

The Commission acknowledged in the legal text that no impact assessment accompanied the measure and that its economic effects are difficult to estimate before implementation. Because of that uncertainty, Brussels says it will monitor changes in trade volumes and import values for covered U.S. goods entering the EU and keep both

the European Parliament and member states informed.

A broader review is due by June 30, 2029. By then, the Commission must submit a comprehensive assessment of how the regulation has worked and may accompany it with a legislative proposal if it wants to extend the measure beyond its current period.

The text also stresses that access to the EU market remains conditional on compliance with applicable EU law. While it presents this package as part of an effort to restore predictability in trans-Atlantic commerce, it leaves open several paths for retaliation or suspension if negotiations stall or if either side departs from what was agreed last year.