

EU vows 'swift' riposte to threatened US auto tariffs

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The US Commerce Department has filed a report that could trigger tariffs against imported cars and intensify tensions with Europe

The EU promised a quick and effective response if the United States imposes import duties on European autos, a spokesman for the European Commission said on Monday.

Brussels issued the threat after the US Commerce Department filed a report that empowers President Donald Trump to apply car duties within the next 90 days.

German Chancellor Angela Merkel has labelled as "frightening" the prospect that this report could label European car imports as a national security threat to the United States, enabling the tariffs.

The White House has already used the national security argument, saying that undermining the American manufacturing base impairs military readiness, among other claims, to impose steep tariffs on steel and aluminium imports.

"Were this report translated into action detrimental to European exports, the European Commission would react in a swift and adequate manner," EU spokesman Margaritis Schinas told a news briefing in Brussels.

The protectionist Trump has threatened 25 percent duties on European autos, especially targeting Germany, which he says has harmed the American car industry.

European officials have said that Brussels has drawn up a list of 20 billion euros (\$22.6 billion) of potential countermeasures, without providing further details.

In 2017 just under half of the 17 million cars sold in the US were imported, most of them produced in Canada and Mexico which are expected to be exempt from any new automobile duties.

German automobile groups last year exported 470,000 cars from Germany to the United States, according to the VDA manufacturers' federation.

The transatlantic flare-up followed a truce established in July, in which Trump and European Commission President Jean-Claude Juncker pledged no new tariffs while both sides pursued a limited trade deal.

Juncker "trusts President Trump's word. The European Union will stick to its word as long as the US does the same," Schinas said.

Germany is pushing hard for the trade deal with the US, but according to a European source, France is reluctant to pursue talks fearing they may stoke popular anger ahead of European elections in May.

EU trade ministers will discuss the talks, as well as the possible countermeasures against the US, at talks in Bucharest on Thursday.

Aside from economic matters, US-European ties have already been upended over Trump's approach towards Iran and Syria, as well as other issues.

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