

Ready for trade war, EU responds to Trump threat

Rising tension:Flags fluttering at the entrance of the European Commission's building in Brussels.AFPGERARD CERLES

The European Union (EU) said on Monday that it stands ready to hit back “swiftly and appropriately” if U.S. President Donald Trump takes unfair trade measures against the 28-nation bloc.

The EU's warning comes less than 24 hours after Mr. Trump expressed his annoyance with EU trade policy, saying it “may morph into something very big”. The stand-off contrasts sharply with relations during the administration of Barack Obama, when both sides sought to create a massive free trade zone between the EU and United States that, it was argued, could yield over \$100 billion a year for both sides.

Protectionist measures

When Mr. Trump won the presidential election in November 2016, those hopes evaporated as the new President talked about protecting American jobs and going against multilateral trade deals that he portrayed as detrimental to his “America First” policies.

On Sunday, Mr. Trump said in a British television interview that “the European Union has been very, very unfair to the United States, and I think it'll turn out to be very much to their detriment”.

Mr. Trump last week approved tariffs on imported solar-energy components and large washing machines in a bid to help U.S. manufacturers, particularly against competition from China and South Korea.

EU chief spokesman Margaritis Schinas retorted on Monday that “the EU stands ready to react swiftly and appropriately in case our exports are affected by any restrictive trade measure from the United States”. Mr. Schinas said that “while trade has to be open and fair it also has to be rules-based”.

The issues also came to the fore during last week's World Economic Forum (WEF) in Davos, Switzerland.

In 2016, official figures show, the EU imported €246 billion (\$304 billion) in goods from the U.S. while exporting some €362 billion (\$448 billion) to the country. In services, the U.S. deficit is much smaller, of only about €13 billion (\$16 billion).

The EU and Germany both called for cooperation on Monday.

German government spokesman, Steffen Seibert, noted that Chancellor Angela Merkel set out in Davos last week why her government wants “an even stronger, more competitive, more self-confident EU that takes over even more international responsibility”. “But that is not directed against anyone, including the United States of America,” Mr. Seibert told reporters in Berlin. “We try for solutions, strive for cooperation that is advantageous for both partners.”

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