

## No new tariffs, for now...

The US has delayed a decision to label automobile imports a national security threat, but the threat remains on the table



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For now, the US-China trade tension seems to be quite enough for President Trump. With a delay of at least 180 days, the US has avoided a further escalation of the trade war on the Japanese and European fronts. Despite this delay, however, tariffs are still possible. If negotiations between the US, EU and Japan fail, the conflict may well escalate again.

Currently, trade negotiations are at an impasse. The US is demanding access to the EU and Japanese agricultural markets, which has been met with resistance. Japan is demanding a similar advantage to the US in return. This would be an unlikely compromise for the US since the White House views the current terms of trade with Japan as unfair. The EU has stated that access to its agricultural market is not part of the negotiations as it doesn't have a mandate from its member states to negotiate access to the agri-food market. It is hard to imagine that the EU will budge on this issue as agriculture has also proved to be one of the most sensitive and difficult topics in the abandoned TTIP negotiations.

Since we foresee very difficult negotiations ahead, we certainly don't rule out that this delay ends with tariffs.