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UNITED STATES

The EU and US release more details on their trade deal

The EU and the US have just released the so-called 'Framework Agreement', offering more binding details on the arrangement reached four weeks ago in Scotland



President Donald Trump with EC President Ursula von der Leyen in Scotland late last month

This framework agreement on “Reciprocal, Fair, and Balanced Trade” is not a legally enforceable treaty but rather a clarification of the handshake deal between US President Donald Trump and European Commission President Ursula von der Leyen. It confirms key elements:

- A 15% US tariff on most European goods
- European intentions to reduce or eliminate certain tariffs on US goods
- Increased European purchases of US energy
- Greater investment in the US

You can read the full statement [here](#)

The agreement outlines which sectors will be subject to the 15% tariff. For Europe, it's a relief that pharmaceuticals and semiconductors are included in this group, sparing them from even higher tariffs. The situation with cars is more complex: they will only be moved into the 15%

category (down from the current 27.5%) once Europe fulfils its commitment to lower tariffs on US goods. This conditionality is just one example of the agreement's ambiguity, which leaves room for both interpretation and potential escalation.

Other elements, such as Europe's "intentions" (not commitments) to reduce tariffs, purchase more US energy, and invest more in the US, also lack binding force. Here's a notable one: The EU... *"plans to substantially increase procurement of military and defence equipment from the United States, with the support and facilitation of the US government."*

Europe even hands in some of its pet projects

Beyond tariffs, the agreement includes provisions that target former EU flagship policies. These include flexibility for US companies under the Carbon Border Adjustment Mechanism, the Corporate Sustainability Due Diligence Directive (CSDDD), and the Corporate Sustainability Reporting Directive (CSRD). The European Commission has even handed in some of its pet projects in order to satisfy the US side of the negotiations.

In summary, the framework agreement reinforces the impression formed after the Scotland deal: the only real upside for Europe is that the outcome could have been worse, and that there is now some clarity. However, this clarity remains fragile and could quickly dissolve. The agreement contains numerous elements that could spark future tensions and escalation. Implementation, monitoring and enforcement of many of the intentions is not always clear.

On a more sobering note, the framework agreement serves as a painful reminder of Europe's current dependency on the US - more so than vice versa. It's difficult to call this a "deal" when it reads more like a document of damage control for Europe.

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