



**European Commission -
Speech**
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Remarks by Commissioner Šefčovič on the EU-US trade relations

Brussels, 21 August 2025

Good afternoon.

Over the summer, and under the steer of President **von der Leyen**, I have maintained regular contact with my US counterparts to follow up on the July agreement reached in Scotland.

Today, I am pleased to announce that we have crossed the finish line. We are issuing a joint statement that frames our agreement on a fair, balanced, and mutually beneficial trade and investment relationship between the European Union and the United States.

This carries considerable weight and is truly impactful at a time when the trade landscape has completely changed.

Our transatlantic relationship is one of the largest economic partnerships in the world. And this agreement has a clear, common goal – to put it on solid ground and help drive reindustrialisation on both sides of the Atlantic. We want to fully unleash the potential of our combined economic power.

But this is not the end. It is the beginning. This framework is a first step – one that can grow over time to cover more sectors, improve market access, and strengthen our economic ties even further.

This work has been intense and essential.

It brings stability and predictability to our relationship – two things that matter deeply to our businesses.

It also strengthens our broader transatlantic partnership, which is more important than ever in today's complex geopolitical landscape.

Let me focus on a few highlights from the joint statement.

First, a 15% all-inclusive tariff cap for the EU: this is the most favourable trade deal the US has extended to any partner. A wide range of sectors – including strategic industries, such as cars, pharmaceuticals, semiconductors and lumber – will benefit from this cap.

To get a bit technical:

Unlike with other trading partners, the 15% cap does *not* come on top of existing most favoured nation tariffs. Instead, it includes them.

Where existing tariffs are already 15% or higher, no additional tariffs will apply.

This means that the EU will benefit from significantly lower effective tariffs compared to other countries.

Second, we have locked in significant exemptions – zero or near-zero tariffs – in important areas.

This includes unavailable natural resources, such as cork, then aircrafts and aircraft parts, generic pharmaceuticals and their ingredients and chemical precursors.

Again, this is just the first step – the EU and the US will explore exempting additional sectors in the future.

Third, tariffs on cars and car parts will drop to 15%, starting August 1, helping our automotive industry remain globally competitive.

Fourth, recognising our shared challenge and the benefits of joint action, the EU and the US intend to collaborate to shield our economies from overcapacity in the steel and aluminium sectors. In practice,

we will work together on tariff rate quota solutions to ensure security of supply in these critical industries.

On our side, the Commission is taking concrete steps to remove tariffs on all US industrial goods and expand market access for US seafood and agricultural products.

The EU will also strengthen its energy security by procuring US LNG, oil, and nuclear energy products valued at 750 billion dollars through 2028.

Additionally, the EU will enhance its AI capabilities by securing a steady supply of AI chips from the US for European computing centres, valued at least 40 billion dollars.

Our companies foresee 600 billion dollars in new EU investments in strategic US sectors through 2028.

And we will increase defence procurement from the US to strengthen NATO interoperability.

All in all, this is a serious, strategic deal. We are fully behind it. And we are committed to delivering.

Let me say this clearly: the alternative – a trade war with sky-high tariffs and political escalation – helps no one. It hurts jobs. It hurts growth. And it damages businesses across both the EU and the US.

This is not theoretical, as nearly five million European jobs, including many in SMEs, would be at risk.

This deal avoids that path. It builds confidence. It brings stability. And it strengthens a vital transatlantic bond – at a time when unity and partnership are more important than ever.

In conclusion, I want to thank EU Member States and the European Parliament for their continued support. We have kept them closely involved throughout the process.

I look forward to continuing our collaboration on the next steps, as we will need to translate key elements of the joint statement into legislative proposals.

Finally, let me appreciate my US counterparts, Secretary Lutnick and USTR, Ambassador Greer and their teams for the positive and cooperative relationship my team and I have developed with them over these months of intense meetings and negotiations.

Thank you.

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