



Trump's tariffs: A deal is a deal?

An empirical analysis of the effective US import tariff rates on the EU, China and others

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Köln, 18.05.2026

IW-Report 25/2026

Wirtschaftliche Untersuchungen,
Berichte und Sachverhalte



Herausgeber

Institut der deutschen Wirtschaft Köln e. V.

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Stand:

Mai 2026

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Abstract

This Report gives an overview of the effective import tariff rates of the US on its most important trade partners in 2025 and the first months of 2026. Our analysis shows that the average effective bilateral US tariff rate on imports from the European Union (EU) was only 7.8 per cent from Liberation Day in April 2025 to February 2026. This is significantly lower than the announced tariff rates at the time. The effective tariff rates were somewhat higher for some EU Member States, where the manufacturing sector accounts for a larger share of the economy, such as Germany (10.6 per cent) or Italy (9.6 per cent). However, during the same time China faced a much higher effective US tariff rate of almost 37 per cent, while for Japan it was 14 per cent and for the UK 6.3 per cent. Imports from Canada and Mexico, in contrast, were effectively only tariffed at 3.8 per cent.

At first sight the differences in average effective tariff rates seem to have had limited impact on trade flows so far as the share of US imports coming from the EU and other industrialized countries have changed only modestly. In contrast, China's share in US imports fell by almost one half between 2024 and 2026, indicating significant trade diversion to the detriment of China.

The Report's focus is a deeper analysis of the effects of the US–EU deal, the so-called Turnberry Deal, effective from September 2025 to February 2026. The following results refer to **total US imports from the EU**:

- From September 2025 to February 2026, when the deal was effective, the US on average levied an effective tariff of 8.2 per cent on imports from the EU, which is much lower than the announced rate of 15 per cent. Moreover, while this was a slight decrease to the peak just before the deal was implemented in August (9.4 per cent), the average value was somewhat skewed by a one-off drop in September 2025.
- There was an immediate decline in the effective bilateral tariff rate for the EU after the enforcement of the deal in September 2025 to 7 per cent. But that was driven by the composition of imports, i.e. more imports of tariff-exempted pharmaceuticals mostly from Ireland, rather than an actual decline in the tariff rate on product groups, that are important for the export to the US. By as early as October 2025, the effective tariff rate returned to a level broadly in line with that in the period before the US–EU deal.
- Thus, while the US–EU deal does seem to have helped to stop the increasing trend in the effective tariff rate on imports from the EU, it did not lead to a significant decline in the rate.
- At the level of individual EU Member States, the results are somewhat more nuanced. Germany, which had the highest effective tariff before the deal at up to 13 per cent, converged to the EU average after the deal came into force. The wedge between Germany's and the EU's overall effective tariff rate narrows. Therefore, the US–EU deal does seem to have improved the relative situation for Germany.
- In comparison to its main competitors on the US market, the EU's position in terms of tariffs after the deal was in the midrange: more favourable than Japan or South Korea, a bit less favourable than the UK, and less favourable than for Canada and Mexico. There was therefore some *relative* gain for the EU due to the Turnberry Deal.

The **sectoral analysis** shows that the US–EU deal did not lower the effective tariff rates in many important EU export sectors:

- German and Italian exports of **machinery and mechanical appliances**, for instance, were tariffed by the US at an effective rate of around 14.5 per cent from September 2025 to February 2026. This is an increase

by between 1 and 2 percentage points in comparison to August 2025. Similarly, for **electrical machinery** the average effective tariff rate for the EU continued to increase after the deal was implemented to reach 11.5 per cent from September 2025 to February 2026. One explanation for this effect is that the list of goods that are subject to the 50 per cent steel and aluminum tariff based on Section 232 of the 1962 Trade Expansion Act was extended in August 2025 to include many machines that count as derivative steel products.

- For both sectors the EU's effective tariff rates were much higher than for Southeast Asian competitors like Taiwan, Vietnam, or South Korea. This result was mainly driven by the different composition of exports to the US. For instance, a high and growing share of Taiwanese exports are automatic data processing machines or various kinds of semiconductors. The US import share of these goods from the EU is rather low. These goods were tariffed at a very low rate or were even duty free. At the same time, they are in high demand due to the AI-boom. This highlights the EU's lack of specialization in product categories that are driving current economic growth and that are therefore hardly tariffed by the US so far.
- A notable exception is **passenger vehicles**. Here the effective tariff rate for the EU on average as well as for individual EU Member States dropped from around 27 per cent to around 15 per cent. But even for passenger vehicles the EU was not much better off than some of its main competitors like Japan (15.4 per cent) after the deal.

Since the US Supreme Court ruling on emergency tariffs in February 2026 the US Administration replaced the reciprocal tariffs globally with an additional temporary 10 per cent tariff using a different legal basis. China and India but also South Korea and Vietnam were the main beneficiaries of this new temporary tariff structure, because their effective tariff rates were reduced considerably. For instance, China's effective tariff rate was reduced by almost 9 percentage points from February 2026 to 23.1 per cent in March 2026. For India the reduction was even greater at 12.3 percentage points to an effective tariff rate of just 8.3 per cent in March 2026. The EU's effective tariff rate also decreased slightly by one percentage point to 8.1 per cent in March 2026. However, as the reductions for its main competitors in Southeast Asia are mostly bigger, the relative advantage the EU previously enjoyed has diminished slightly.

Going forward, assuming the US Administration sticks to the Turnberry Deal, its economic merit for the EU will depend mainly on the level of tariffs that the US is likely to levy after the various ongoing investigations, as well as the reactions of the other US trading partners. If the US broadly replicates the pre-Supreme Court tariff structure, the deal can be viewed positively. However, if the US does not give the EU a relatively preferential treatment, the EU would need to reconsider the balance of the US–EU deal. Because the EU's own tariff concessions towards the US were based on this premise.

Still, the main benefit to the EU of the Turnberry Deal might be at least a certain degree of predictability with regards to US trade relations, as it is highly unlikely that the current US Administration will give up on tariffs. A fact that is corroborated by the on-going investigations under Section 232 and Section 301. In that sense a flexibly formulated suspension clause which would allow the tariff preferences with the US to be suspended, for instance if the US were to impose additional tariffs exceeding the agreed 15 per cent ceiling, would be useful to create diplomatic leverage. Moreover, our sectoral analysis has shown that machinery and electrical machinery exports from the EU to the US are exposed to above-average tariffs mainly due to the additional steel and aluminium tariffs on derivative products. This clearly goes against the spirit of the deal and needs to be addressed urgently. Under these considerations, the Turnberry Deal is indeed a bitter-sweet pill for the EU to swallow, but it is better than constant disruption.

1 Introduction

More than a year since Donald Trump became President of the US for the second time, trade policy is one of the areas that has been most disrupted. Import tariffs have been used by the US Administration to achieve a wide range of stated policy goals: to lower the US' trade deficit, encourage industrial production in the US or simply exert pressure on contenders. The tariffs announced on the so-called Liberation Day in April 2025 eventually never materialized in their full severity, but threats of prohibitively high tariffs, such as 200 per cent on French wine continue to capture headlines. Less media attention is paid to the tariff exemptions and some backtracking on tariffs.

Besides the varying reasons for imposing tariffs, different legal bases were used to impose them. On April 2nd, 2025, the US Administration invoked the International Emergency Economic Powers Act (IEEPA) of 1977 to implement an additional global tariff of 10 per cent. Additional country-specific reciprocal tariffs were supposed to be introduced shortly after – US tariffs on EU imports were supposed to be 30 per cent, but these steps were suspended repeatedly. Over the summer of 2025, the US Administration negotiated a number of trade deals with various countries. For instance, the EU and the US reached a political agreement at the end of July. The agreement stipulates, in general, an upper-bound for US tariff on EU imports of 15 per cent (see Chapter 4). By Executive Order, the US Administration subsequently replaced the additional 10 per cent tariff with the new 15 per cent tariff ceiling for the EU effective from August 7th (The White House, 2025). Thus, although the EU has not implemented the US–EU deal from its side yet, since then it had de facto faced US import tariffs like those that the US has committed to under the so-called Turnberry Deal. However, in February 2026 the US Supreme Court ruled that the IEEPA does not authorize the US President to impose tariffs, so that they were invalidated. The US Administration immediately reacted to the ruling by introducing an additional 10 per cent tariff based on Section 122 of the 1974 Trade Act for 150 days.

To add to the complexity, by invoking other legal authorities the US Administration implemented additional sectoral tariffs, for instance for passenger cars or steel and aluminium last year. There are also numerous exemptions, for example for some generic drugs or semiconductors. It is therefore difficult to get an exact picture of how high the tariff burden for the EU and individual EU Member States really is, as opposed to what was merely announced. This also makes it hard to assess how the US–EU deal can be evaluated from the EU's perspective, especially as this would necessitate a comparison against the effective tariffs of other countries. This is where this paper makes a contribution by building on Gros and Rotondi (2025) to calculate and compare the effective US tariff rates for imports from the EU, China and other major trade partners. Moreover, we are able to make an initial assessment of the new, temporary tariff situation after the ruling of the Supreme Court and the introduction of the tariffs based on Section 122. This analysis is done for trade in general as well as for important sectors.

First the data and methodology are explained in chapter 2. Chapter 3 provides a global overview of the aggregate impact of Trump's tariffs since Liberation Day. Chapter 4 focuses on the EU and the impact of the US–EU deal. In this vein, a more detailed analysis of the monthly development of tariff as well as certain important product groups is conducted. We speculate on the reasons why the Turnberry Deal attracted such widespread condemnation despite its marginally positive result for the EU in Chapter 5. Finally, Chapter 6 summarizes and concludes.

2 Data and methodology

We are concentrating on the average tariffs to obtain an order of magnitude of the trade barriers resulting from Trump's tariff policy. Two approaches exist for calculating this average. In principle the most precise approach is to obtain information on the entire US tariff rate schedule, which has tens of thousands of entries, and then calculate the average by combining the tariff rate schedule with information on import values also item by item. This is quite cumbersome and faces the additional difficulty that the necessary detailed information on value of imports is available only with some delay.

We are thus following a simpler approach. To calculate the effective tariff rate, we are using official data from the US Census Bureau on the import value, the dutiable value and value of the import duties. Following the methodology of Gros and Rotondi (2025) we are using this data to calculate two measures of trade barriers. First, the average **effective tariff rate** is obtained by dividing the value of import duties by the value of imports. It therefore captures how on average imports of a certain range of products are affected by tariffs.

Second, to account for the numerous tariff exemptions, the average **dutiable tariff rate** is calculated by dividing the value of import duties by the dutiable import value. In general, one can say that the higher the share of dutiable imports, the greater the similarity between the two tariff rates. For countries benefitting from numerous exemptions, i.e., a low share of dutiable imports, such as Mexico or Canada, the effective dutiable tariff rate is much higher than the effective one. For China, the country with one of the highest shares of dutiable imports in total imports, the two rates are remarkably similar. Both concepts have their merits. For countries where the share of dutiable imports is low, the dutiable tariff rate alone would overestimate the true effect. At the same time, a decrease in the effective tariff rate might not signal a relaxation of tariffs if it is due to an increase in the share of duty-free imports. This was the case for the EU (see Chapter 4).

3 Global comparison of US tariffs since Liberation Day

Table 3-1 provides an overview of the average effective tariff rate and the average dutiable tariff rate for different trading partners of the US for the year 2024 compared to the average tariffs for the time period from April 2025 to February 2026, the time from the so-called Liberation Day until when the IEEPA tariffs were in place. As this is a time period when a lot of other tariffs were introduced or repealed as well as a number of countries concluded deals with the US, the average tariff values are only a very gross approximation. We therefore look at monthly data in Chapter 4 to get a more complete picture of the varying effective tariff levels. The last two columns of Table 3-1 show the share of dutiable imports. This aggregate overview already shows the stark implications of the first year of Trump's second presidency on trade policy.

We also include the data for March 2026, the first data point since the ruling of the US Supreme Court on the IEEPA tariffs and the introduction of new, temporary tariffs based on Section 122 in Figure 3-1. This enables a first comparison of the relative position of US trading partners under this new tariff regime. But because this regime is likely to last until July 2026 only, these results should not be stressed too much.

Table 3-1: Global overview of bilateral US effective and dutiable tariffs

In per cent

	Average effective tariff rate: Duties as % of imports		Average dutiable tariff rate: Duties as % dutiable imports		Share of dutiable imports	
	2024	Apr 25–Feb 26	2024	Apr 25–Feb 26	2024	Apr 25–Feb 26
World	2.3 %	9.5 %	7.5 %	22.2 %	30.9 %	42.8 %
EU	1.2 %	7.8 %	3.7 %	15.1 %	33.6 %	51.8 %
France	1.2 %	6.4 %	4.0 %	13.4 %	29.6 %	47.5 %
Germany	1.4 %	10.6 %	3.2 %	16.1 %	43.6 %	65.6 %
Italy	2.2 %	9.6 %	4.8 %	14.7 %	45.9 %	65.5 %
Spain	1.9 %	6.3 %	4.0 %	12.0 %	47.6 %	71.2 %
UK	1.0 %	6.3 %	2.8 %	12.0 %	34.1 %	52.7 %
CAN-MEX	0.2 %	3.8 %	1.2 %	26.2 %	15.6 %	14.6 %
China	10.6 %	36.6 %	17.1 %	40.1 %	62.3 %	91.5 %
Japan	1.5 %	14.0 %	2.9 %	17.6 %	52.5 %	79.3 %
India	2.4 %	13.0 %	6.0 %	27.4 %	40.5 %	47.6 %
Vietnam	3.9 %	10.5 %	11.0 %	21.0 %	35.4 %	49.8 %
South Korea	0.2 %	11.3 %	2.8 %	18.6 %	6.8 %	61.0 %
Others	1.2 %	7.4 %	4.9 %	17.4 %	23.8 %	42.5 %

Sources: US Census Bureau, own calculations

Some important findings are:

- **Globally**, US importers faced an average effective tariff rate of 2.3 per cent and an average dutiable rate of 7.5 per cent in 2024. From April 2025 to February 2026, the average effective tariff rate quadrupled to 9.5 per cent and the average dutiable tariff rate almost tripled to 22.2 per cent. The share of dutiable imports increased by around 12 percentage points. Figure 3-1 shows that after IEEPA tariffs were repealed in March 2026, the average effective tariff rate decreased to 6.8 per cent from 9.9 per cent in February 2026.
- Even though the **EU** had a higher share of dutiable imports than the global average in 2024, it faced lower tariff rates. From April 2025 to February 2026, there was a significant increase in the share of dutiable imports of almost 18 percentage points. While both the effective and the dutiable tariff rate for the EU remain below the global average from April 2025 to February 2026, both increased more steeply to reach 7.8 per cent and 15.1 per cent, respectively. In March 2026, the EU's effective tariff rate decreases by one percentage point to 8.1 per cent from 9.1 per cent in February as Figure 3-1 shows. Thus, the EU's effective tariff rate after the repeal of the IEEPA tariffs was higher than the global average.
- Looking at individual larger EU Member States, **Germany** seemed to be most affected by the new tariffs implemented from April 2025 and February 2026. Its average effective and dutiable tariff rate was higher than those of the other big EU Member States and the EU on average, followed by **Italy** (for the dutiable

tariff rate). Spain had the highest share of dutiable imports in 2024 and 2025. By March 2026 Germany's effective tariff rate had decreased slightly to 10.1 per cent, while that of Italy had further increased to 10.6 per cent (see Figure 3-1). **France** seemed to be least affected when comparing the selection of EU Member States. The reduction in the effective tariff rate after the Supreme Court ruling is also relatively large for France in comparison to the other EU Member States as Figure 3-1 shows. This suggests that Member States with a higher share of manufacturing as percentage of GDP tend to be more affected by the US tariffs.

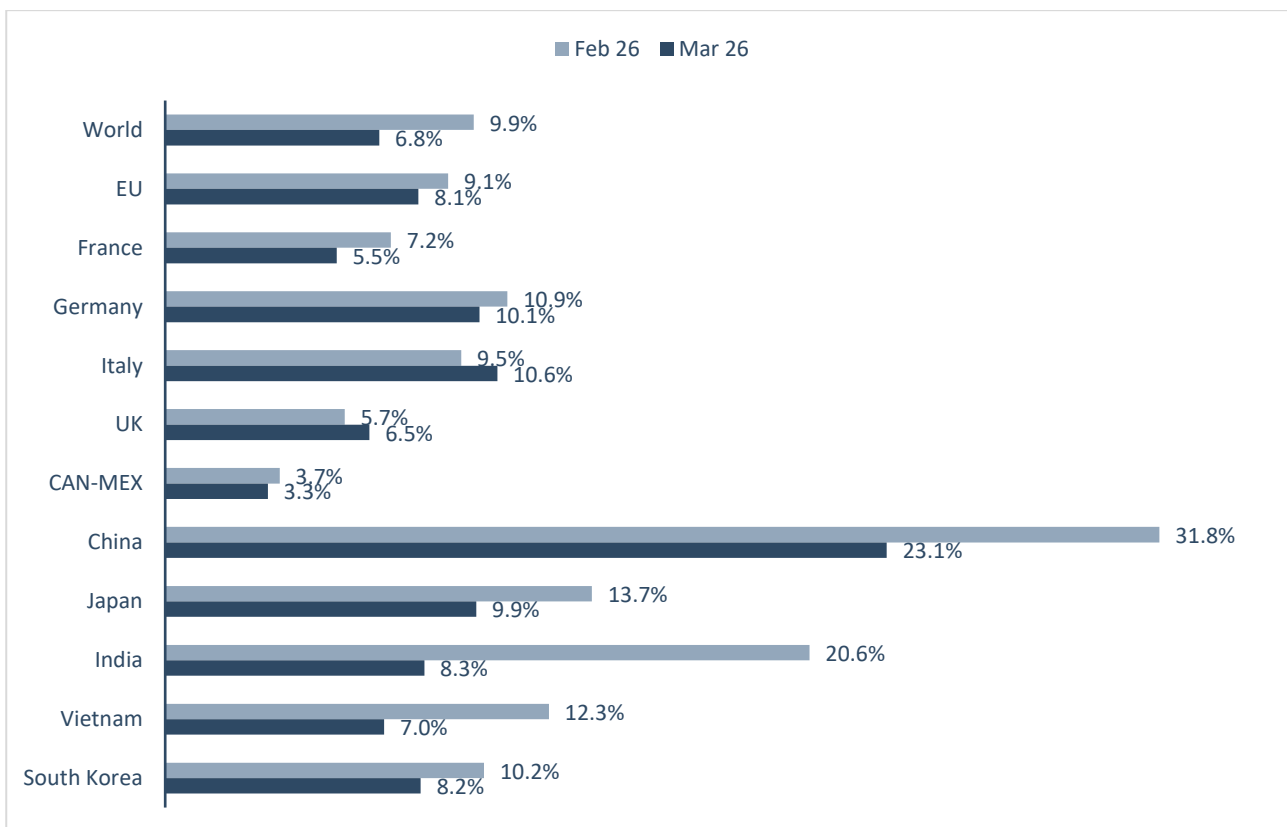
- The effective US tariffs on the **UK** were lower than for the EU in 2024. This is also true for the period from April 2025 to February 2026 with an effective tariff rate of 6.3 per cent. This reflects the fact that the UK was the first country to sign a deal with the US to lower its tariff rates at the beginning of May. By March 2026, the UK's effective tariff rate at 6.5 per cent had increased slightly but was still slightly below the global average (see Figure 3-1). Its advantage over the EU, however, has eroded slightly.
- **Canada and Mexico** face similar US-import tariffs as they are both part of the free trade area with the US: the US-Mexico-Canada Agreement (USMCA). Moreover, the US Administration mostly hit both countries with the same additional tariffs, starting in February 2025. Therefore, the average of the two countries is reported in Table 3-1, instead of reporting the data for the two countries separately. The high number of exemptions (reflected also in the low share of dutiable imports) for both countries means that the average effective tariff rate was by far the lowest at 3.3 per cent. But the average dutiable tariff rate was more than 26 per cent in April 2025-February 2026, which was significantly higher than for the EU. The tariff rates for Canada and Mexico did not change much between February 2026 and March 2026, as Figure 3.1 shows. This is in-line the fact that many of the additional US tariffs on these two countries are based on other legal bases such as Section 232.
- **China** was already subject to higher tariffs in 2024 than the global average and had by far the highest share of dutiable imports. This is due to the tariffs that Trump had imposed on China during his first term in office, which Biden did not remove. Between April 2025 and February 2026 almost 92 per cent of Chinese exports to the US were subject to tariffs. With average effective and dutiable tariff rates of around 40 per cent, China is by far the most affected country by the new Trump tariffs. But the effective tariff rates are much lower than announced rates. This is also due the fact that the data is aggregated for the time period April 2025-February 2026. Analyzing the monthly changes for 2025, the average effective tariff rate for China reached its peak in May 2025 at around 46 per cent. The peak for the average dutiable tariff rate was also reached in May 2025 with around 53 per cent. This is remarkably low, given that the statutory rate at that time was as high as 145 per cent. In March 2026 China's effective tariff rate decreased markedly by almost 8 percentage points from 31.8 per cent in February 2026 to 23.1 per cent (see Figure 3-1). While this was still much higher than the global average, it shows that China was one of the countries benefiting the most from the Supreme Court Ruling on IEEPA tariffs.
- After China, **Japan** had the highest share of dutiable imports in all the time periods considered. In comparison to the EU, Japan faced a high average effective tariff rate of around 14 per cent and also a high dutiable tariff rate of almost 18 per cent in April 2025-February 2026. Figure 3-1 shows that Japan's effective tariff rate also dropped significantly by almost 4 percentage points to 9.9 per cent in March 2026. Thus, the difference in effective tariffs rates between Japan and the EU decreased significantly in the new temporary tariff situation.
- **India** was hit with a particularly high US import tariff due to its imports of Russian oil in autumn 2025. However, its average effective tariff rate of 12.1 per cent in April 2025-February 2026 is below that of Japan. But similar to China, the aggregate effect for 2025 for India is a bit misleading. Looking at the monthly changes in 2025, the average effective tariff rate for India reaches its peak in October 2025 at

22 per cent. The peak for the average dutiable tariff rate is in December 2025 at almost 49 per cent. India also benefited most from the Supreme Court ruling on IEEPA tariffs, as the reduction of its effective tariffs rate is the biggest among the countries in the sample (see Figure 3-1). It dropped by 12.3 percentage points to an effective tariff rate of just 8.3 per cent in March 2026. In consequence, its effective tariff rate in March 2026 was just slightly above the EU's and around 2 percentage points below that of Germany and Italy.

- Alongside with India, **Vietnam and South Korea** are interesting countries to consider, as all three could serve as potential alternative suppliers for the US as it seeks to diversify away from China. In 2024, South Korea had by far the lowest share of dutiable imports at 6.8 per cent, which is likely due to the free trade agreement between the US and South Korea, under which most Korean industrial and consumer goods enter the US free of duty since 2012 (US Customs and Border Protection, 2025). The share of dutiable imports increased by more than 55 percentage points in 2025 to around 62.3 per cent. The country also had the lowest effective and dutiable tariff rates in 2024 among the sample of countries. But in the period April 2025-February 2026 the country faced US tariff rates that are comparable to those at the global average. For Vietnam, but also for South Korea, the effective tariff rates decreased markedly in March 2026. Their effective tariff rate is now similar to that of that of the EU (in Vietnam's case even below).

Figure 3-1: Effective bilateral US import tariff rates before and after Supreme Court ruling on IEEPA tariffs

Effective average bilateral tariff rates in per cent



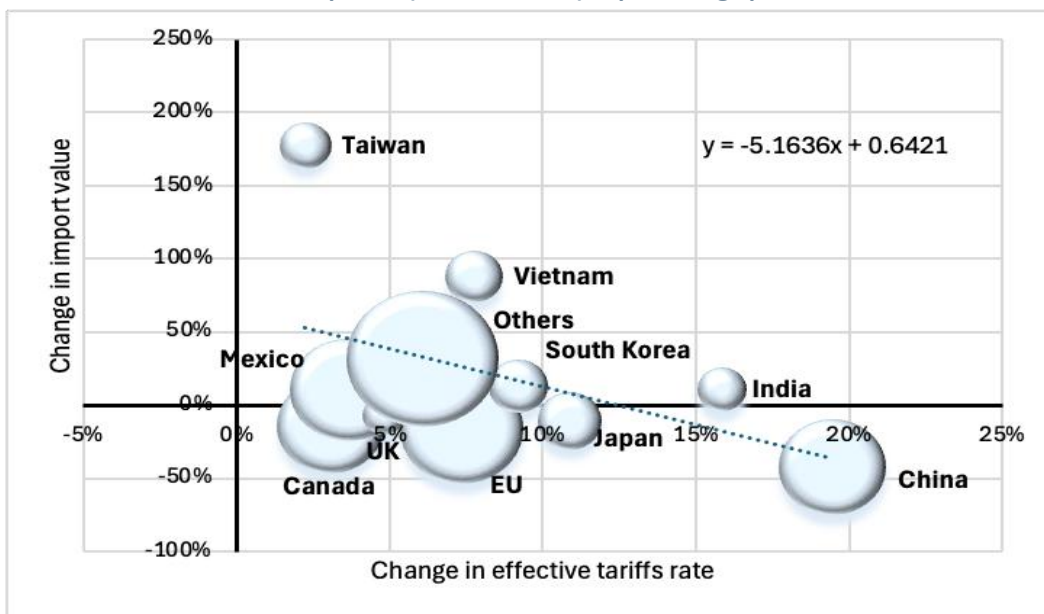
Sources: US Census Bureau, own calculations

This initial global comparison shows that while the effective tariff rates of all US trading partners have increased significantly since Liberation Day, the rates are lower than the announced rates. The EU's effective bilateral US tariff rates, at least on average, are lower than those of most of its competitors. This gives it a relative advantage.

Standard trade theory posits that a tariff does not have a first order effect on the trade balance. This is borne out by the data as the US goods trade balance was broadly the same between 2024 and 2025. However, it could be expected that the different effective bilateral tariff rates would affect the US import shares of the different countries and regions. Figure 3-2 shows a scatter plot of the change in US import shares between January and February 2024 and 2026 (vertical axis) versus the change in effective tariff rates (horizontal axis) in percentage points¹. The size of the bubbles is proportional to each respective country's share of US imports in 2024. The data suggests some relationship between effective tariffs and changes in import shares. But the relationship is rather weak, as relative effective tariff changes explain less than one third of the observed changes in import shares. The faster-growing Asian countries India, Vietnam and Taiwan all are positioned above the line (higher import shares than would be expected given the tariffs they are facing), whereas the heavyweights, EU and Canada-Mexico are below the line. Without the two tail observations of Taiwan and China, tariff rates would explain very little of the variation in import shares. Overall, it seems that – apart from the special case of China – different effective tariff rates had only moderate impact on bilateral trade flows or competitive positioning. But part of this seeming irrelevance of tariffs for bilateral trade flows might in some cases be due to re-routing of trade flows from China. This could be the case for Vietnam, whose share in US imports increased but this is less likely to be the case for India. The data for Taiwan is dominated by the boom in exports of high-end chips from TSMC. Moreover, Figure 3-2 plots the changes in the effective bilateral tariff rates for total goods trade. But for some US trading partners the sector-specific effective tariff rates differ a lot from the one average one, especially in those sectors that dominate their trade with the US.

Figure 3-2: Change in US import shares relative to the increase in tariffs

Changes in US import shares for Jan/Feb 2026 compared to Jan/Feb 2024 (vertical axis) versus increase in the effective tariff rate over the same period (horizontal axis) in percentage points*



Notes: *Measured as 100 times the natural logarithm of average monthly imports for the first 2 months of 2026 versus the same months in 2024 (2025 data is distorted by the anticipation of tariffs).

The size of the bubbles is proportional to the share of the respective countries in US imports in 2024.

Sources: US Census Bureau, own calculations

¹ Measured as 100 times the natural logarithm of average monthly imports for the first 2 months of 2026 versus the same months in 2024 (2025 data is distorted by the anticipation of tariffs).

4 Focus on the EU: Effect of the US–EU deal

In July 2025, the US and the EU agreed on a deal in the trade dispute, the so-called Turnberry Deal. A joint statement on the deal was published in August 2025 (European Commission, 2025). Some of the most important tariff-related changes the deal includes are:

- The deal generally caps the US tariff rate for imports from the EU at the higher rate of either the US's most favoured nation (MFN) tariff rate or a tariff rate of 15 per cent effective from August or September 2025, depending on the product category.
- As part of the deal, on September 25th, 2025, the US Administration lowers the 25 percentage point tariff increase for passenger vehicles, light trucks, and certain automobile parts, which was imposed in March 2025 based on Section 232 of the Trade Expansion Act of 1962, to a tariff rate of 15 per cent retroactively from August 1st (Burkhart/Hammond, 2026).
- The Turnberry Deal also includes tariff exemptions, for instance, for pharmaceutical and chemical products. But at the same time, the US Administration announced that it was starting investigations under on those products section 232, so that they could potentially face higher tariffs.
- Moreover, the higher tariffs for steel and aluminium as well as derivatives, of 50 percent implemented globally in March 2025 based on Section 232, remained in place and were expanded to include more derivative products in August 2025 (Burkhart/Hammond, 2026).

Prior to the trade deal with the EU, the US also concluded a trade deal with the UK in May 2025 (UK Parliament, 2025). This generally stipulates that exports from the UK will face an additional tariff of 10 percentage points. Under the deal, the UK can also export up to 100,000 passenger vehicles to the US at a 10 per cent tariff - a quota that is only slightly lower than the number of cars exported to the US in 2024. The Turnberry Deal thus appeared to be worse than the UK deal. This added to the feeling of humiliation for the EU, since it apparently showed that the much larger EU had not used its presumably larger bargaining power. However, as already shown above, the difference between the effective tariff rates faced by the UK and the EU was much smaller than the headlines suggest, only 1.5 percentage points.

Moreover, a deal with Japan came into effect in September 2025 (Burkhart/Hammond, 2026). The deal between the US and South Korea entered into force in December 2025, with tariffs on automobiles and a number of other goods lowered retrospectively for November 2025 (Federal Register, 2025). Together with China, Mexico and Canada, were the first countries to be affected by additional tariffs based on the IEEPA starting in February 2025. However, almost all US imports from Mexico and Canada that are covered by the USMCA are exempted from the additional tariffs.

The following Chapter contains an initial assessment of the impact of the US–EU deal on the effective bilateral US tariff rate for the EU. In that context, the changes for the EU are compared with that of its main competitors on the US market, namely Japan, Canada and Mexico, and the UK. China is not included in this comparison, because the nature of the US-Chinese trade relations is in a sense quite unique and the magnitude of the US effective bilateral tariff on China was much higher. Therefore, including China in the following graphs would make it harder to detect the subtler differences in effective tariff rates between the remaining countries. In Section 4.1., the monthly changes of tariff rates for overall trade are compared for the EU and the subset of countries. Section 4.2. focuses on a few important product sectors.

4.1 Short run effects in effective tariff rates

On average, over the period September 2025 to February 2026, when the US–EU deal was in effect, the effective tariff rate for EU exports to the US was 8.2 percent. Compared to the peak of 9.4 percent in August 2025 before the deal was implemented, this was a decrease of 1.2 percentage points. But a strong drop in the value for September skewed the average value downwards. Germany's rate dropped from 13.3 per cent in August 2025 to 10.6 per cent on average for the period the deal was effective. Therefore, the wedge between the effective tariff rate for Germany and that for the EU therefore narrows from almost 4 percentage points before the deal was implemented to 2.4 percentage points after its implementation. The following detailed analysis of the monthly changes provides a fuller picture.

Figure 4-1 shows the monthly development of the average bilateral effective tariff rates for a sample of US trading partners between January 2025 and March 2026, the latest data available at time of publication. May 2025 marks the coming into force of the US-UK deal and September 2025 is the first full month when both the EU and Japan are tariffed at the respective deal-level rates. In February 2026, the Supreme Court ruled that the IEEPA tariffs are invalid. Figure 4-1a compares Canada/Mexico, Japan, the EU, the UK and South Korea. Figure 4-1b focuses on a subset of EU Member States, which have sizeable exports to the US.

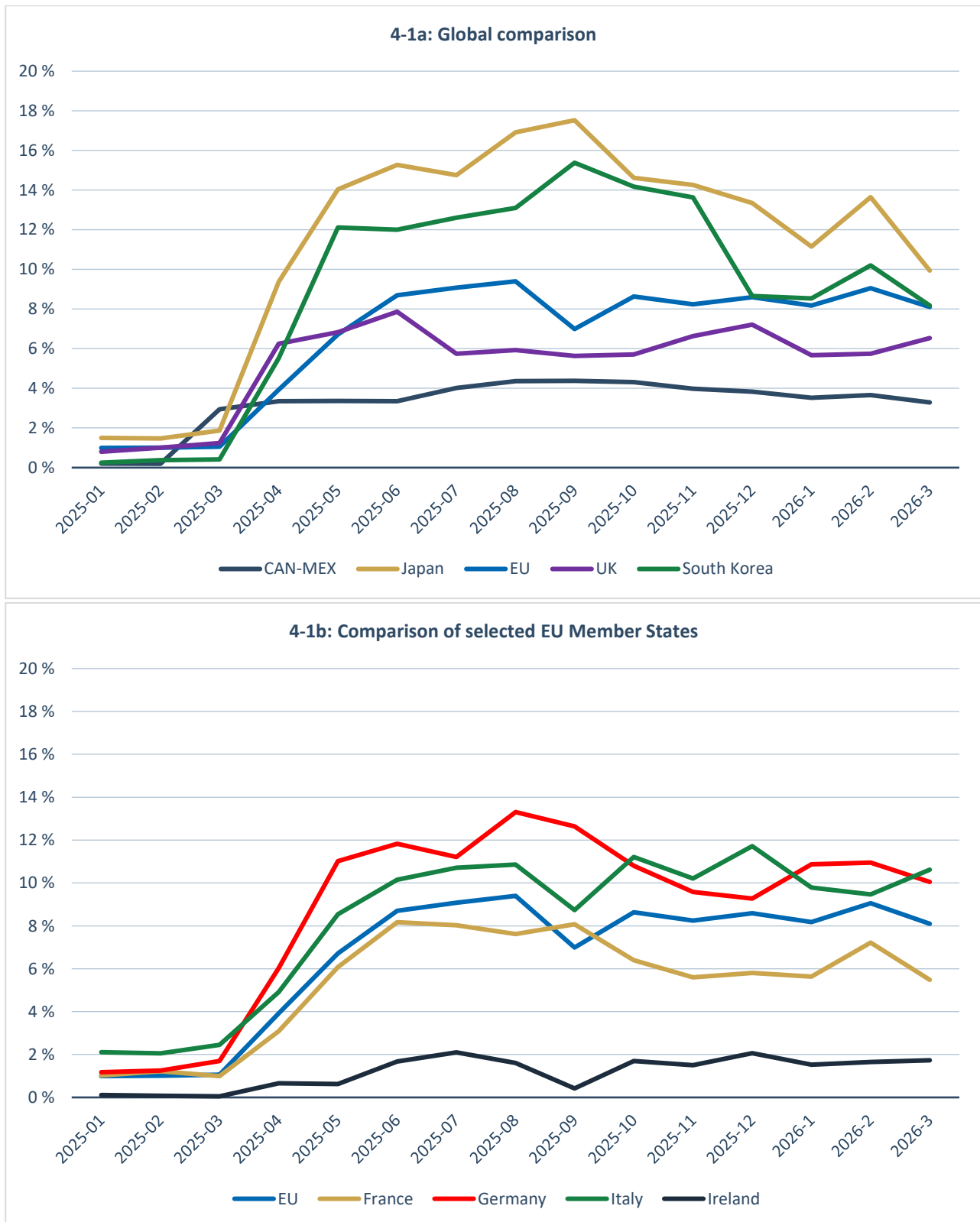
Besides China, the first countries to be hit with additional tariffs were Canada and Mexico early in 2025. In the following months, their effective tariff rate remained nearly constant. Due to various exemptions, the effective tariff rate for both countries is much lower than that of the other countries. With the introduction of global US tariffs on vehicles and vehicle parts as well as steel and aluminium in March 2025, the bilateral effective tariff rates for the sample of countries began to diverge. To put it simply, the higher the increase in the bilateral effective tariff rate for a country in that month is, the larger its share of cars and car parts of total US exports. This also holds for the sample of EU Member States shown in Figure 4-1b.

A first reading of Figure 4-1a and 4-1b may suggest that the US–EU deal led to a substantial and immediate easing of EU trade barriers with the US: In September 2025, the first full month after the Turnberry Deal became effective from the US side, the average effective tariff rate on US imports from the EU declined markedly from 9.4 per cent in August to 7.0 per cent. But by October, it had returned to a level broadly in line with previous months.

The temporary decline of the average effective tariff rate for the EU in September 2025 is linked to the Turnberry Deal in a more indirect way than might initially be assumed. As the deal entered into force in September, US imports of organic chemicals from Ireland (a product group that had been exempt from US tariffs) increased significantly, accounting for nearly one quarter of total US imports from the EU in that month. In particular, imports of hormones and steroids rose sharply. A similar pattern is observed for Italy where US imports of pharmaceutical products, which had likewise not been subject to US tariffs, surged in September, doubling to 30 per cent from an average of approximately 15 per cent of total US imports from Italy in preceding months. This compositional shift explains the parallel decline in Italian and Irish average effective tariff rate during that period observable in Figure 4-1b. This pattern is consistent with stockpiling. Most pharmaceuticals and organic chemicals were not subject to additional US tariffs before the US–EU deal, and they were also mostly not explicitly covered by the Turnberry deal. But the US Administration announced that it might introduce tariffs on these product categories based on Section 232. Anticipating the potential tariff imposition, US firms appear to have front-loaded imports as a precautionary strategy.

Figure 4-1: Monthly development of the US average bilateral effective tariff rates on imports

In per cent



Sources: US Census Bureau, own calculations

Comparing the development of the average effective tariff rate in Figure 4-1 with the development of the average dutiable tariff rate for the EU in Figure 4-2, there was no significant decline immediately after the deal. That corroborates the observation that the decline in the EU's effective tariff rate was driven by a surge in US imports of tariff-exempted goods, rather than an actual decline in the tariff rate. After a peak in September at a dutiable tariff rate of 17.8 per cent, the dutiable rate leveled off at around 16.5 per cent.

Turning to the selected EU Member States, the decline in the overall dutiable tariff rate after the enforcement of the US–EU deal, seems to have been mainly driven by changes in the German rate and to lesser extent also in the Italian rate (Figure 4-2b).

In the global comparison, in 2025 the EU's effective and dutiable tariff rates were in the middle range. Initially, Japan seems to have been hardest hit, followed by South Korea. The effects of its deal with the US were clearly visible for Japan: after its enforcement in September 2025, there was a steady decline in Japan's effective and also its dutiable tariff rates for the rest of the year. The change was even more pronounced for South Korea in December 2025 when its deal with the US was implemented. Its effective tariff rate decreased by around 5 percentage points and its dutiable tariff rate by around 7 percentage points after the deal. As the EU's tariff rate did not change much during that time, these changes led to a convergence of the effective tariff rates between the EU, Japan and South Korea towards the end of 2025.

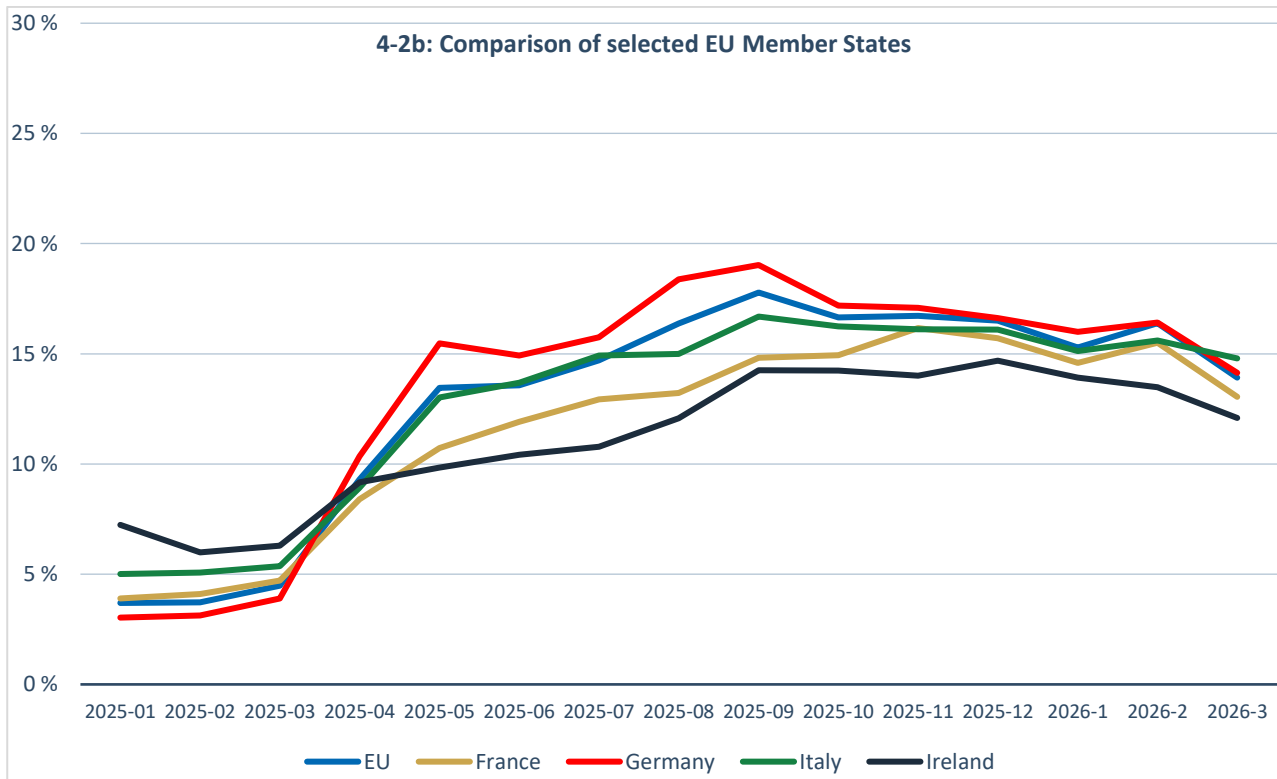
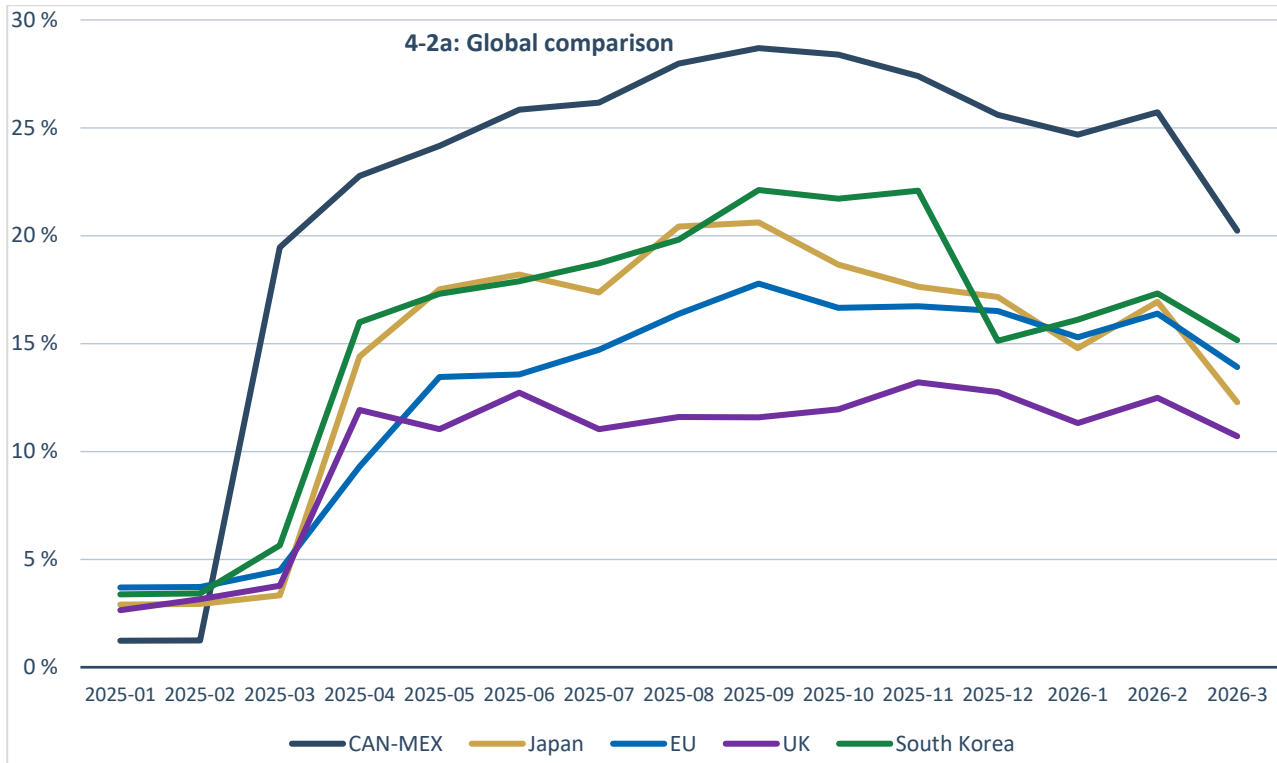
The UK's dutiable tariff rate was similar to the EU's until the US-UK deal came into effect in June 2025, when it dropped from a peak at 12.7 per cent to 11 per cent in July. But like the UK's effective tariff rate, the dutiable tariff rate also continued to increase again after the initial drop, so that in December 2025 the rate was back to the level before the deal came into effect.

Thus, Figures 4-1 and 4-2 show that in comparison to its main competitors on the US market, the EU's position is more favourable than Japan but less favourable than the UK. Moreover, the US–EU deal does seem to have stopped the increasing trend in the EU's effective and dutiable tariff rate. But it did not lead to a significant decline in the rates. Rather, it “froze” the status quo, without any significant tariff relief for the EU on aggregate. On the level of the individual EU Member States, the bottom line is a bit more nuanced. Germany, which had the highest rates before the deal, converged towards the EU average after the deal came into force. The wedge in the effective tariff rate for the EU on average and Germany narrows. Therefore, the US–EU deal does seem to have improved the situation for Germany. For France, this is also true when looking at the average effective tariff rate, but not for the dutiable tariff rate, which continued to increase even after the deal.

With the ruling of the Supreme Court in February 2026 and the subsequent invalidation of the IEEPA tariffs, the situation changed. Among the subset of countries, Japan was a notable beneficiary of the new situation with a decrease of its effective tariff rate of almost 4 percentage points and of its dutiable rate of more than 5 percentage point in March 2026 in comparison to February. But South Korea also gained with a reduction of its tariff rates of around 2 percentage points. In comparison, there was little change regarding the EU's tariff rates between February and March 2026. Thus, the EU gains little and loses with respect to its competitors in Southeast Asia in this new temporary constellation of tariffs.

Figure 4-2: Monthly development of US average bilateral dutiable tariff rates on imports

In per cent



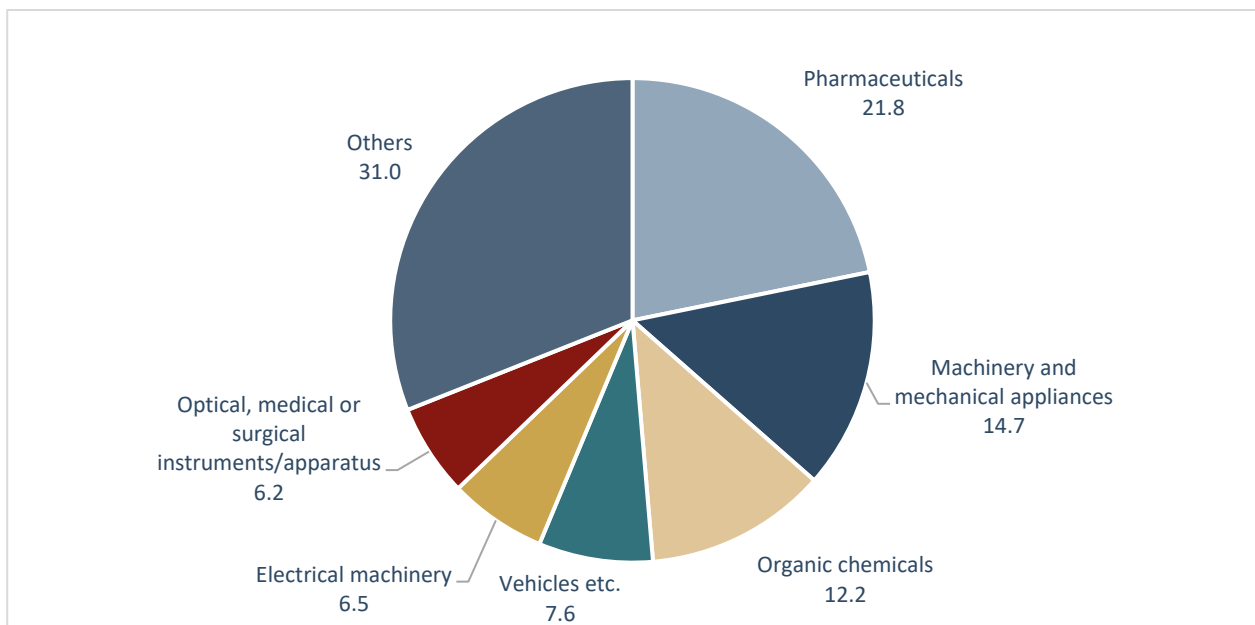
Sources: US Census Bureau, own calculations

4.2 Sectoral analysis of effective tariff rates

While Section 4.1 analysed the effect of the US–EU deal on total trade, it seems very likely that the effect would vary across sectors, due to tariff exemptions for certain goods or additional tariffs on other goods. Therefore, in the following, we will focus below on the effect of the US–EU deal on a sectoral level. The US Census Bureau provides more disaggregated data according to the HS-classification. Figure 4-3 shows which sectors made up the largest proportion of overall US imports from the EU in 2025. A first glance shows that the sectoral composition is relatively widely distributed. Moreover, contrary to the focus of the political debate, vehicles etc. (HS 87) were actually only the fourth-largest sector in terms of US import share from the EU. Instead, pharmaceuticals accounted for the largest share at almost 22 per cent. For many pharmaceuticals the US agreed to only apply the MFN rate, which is close to zero per cent, instead of the 15 per cent tariff rate. We therefore did not include this sector in the analysis below. Instead, we focused on machinery and mechanical appliances (HS 84), which accounted for almost 15 per cent of overall US imports from the EU. This was the second-highest share. We also looked at the effect of the deal on organic chemicals (HS 29), electrical machinery (HS 85), and optical, medical or surgical instruments/apparatus (HS 90). We also consider a 4-digit subsection of vehicles (HS8703) to concentrate on passenger vehicles only. This allows us to study the effects of the deal more precisely, as many goods under the broader 2-digit HS87 category were not affected by the automobile tariffs under Section 232. We have compared the effective bilateral tariff rates for the EU with varying samples of countries, depending on the respective US import shares.

Figure 4-3: Structure of US imports from EU

Share of sector of total US imports from the EU in per cent, 2025



Sources: US Department of Commerce, own calculation

The comparison is made for January 2025, as benchmark for pre-Trump 2.0 tariff rates; August 2025, as the last month before the US–EU deal came into effect, as well as the average for the period September 2025 to February 2026, when the US–EU deal was in effect. We have taken the average tariff for that time period instead of the monthly data to get a more balanced overview. March 2026, the latest data available at the time of publication, is also included in the comparison to capture the latest effect of the Supreme Court ruling on the IEEPA tariffs and the imposition of new temporary tariffs.

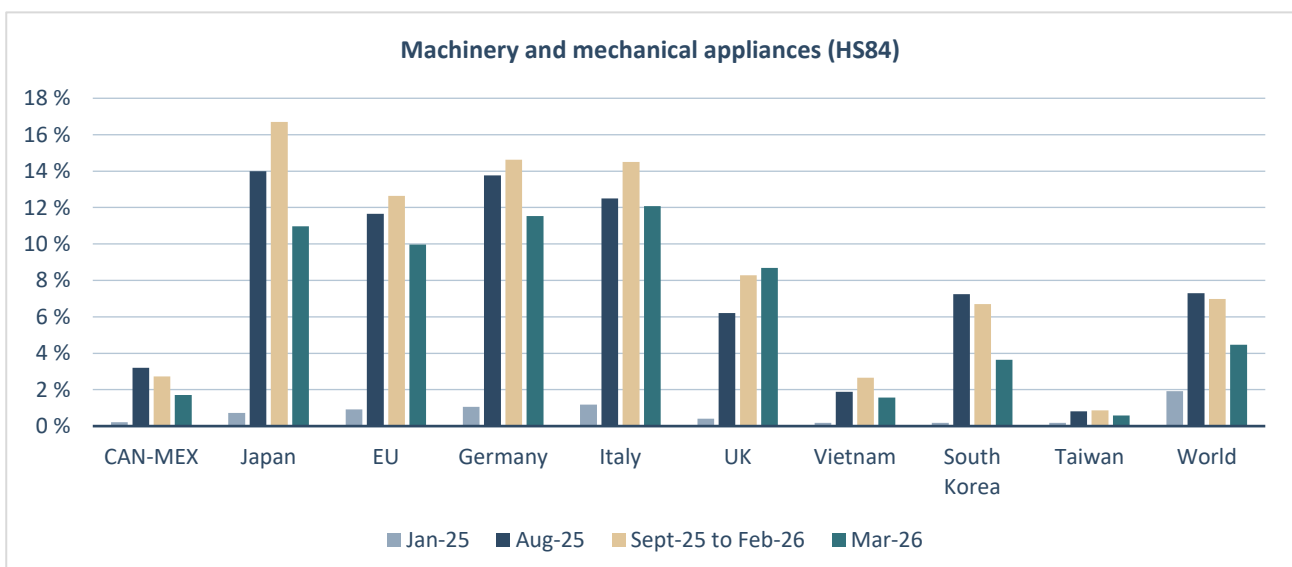
Regarding the effect of the US–EU deal on the different sectors, the following observations can be made:

- For machinery and mechanical appliances (HS 84)** the effective bilateral tariff rate for the EU increased significantly from January 2025 to August 2025 (see Figure 4-4). Interestingly, since the US–EU deal was implemented, the effective tariff rate for the EU for that sector continued to increase to an average of 12.6 per cent for the period September 2025 to February 2026. One explanation for this effect is that the list of goods that are subject to the 50 per cent steel and aluminum tariff on derivative products based on Section 232 was expanded in August to include many machines and mechanical appliances which are deemed derivative steel products (Sultan / Matthes, 2025). Looking at individual EU Member States, for both Italy (14.5 per cent) and Germany (14.6 per cent) the effective bilateral tariff rate in September 2025 to February 2026 was higher than in August 2025 and also higher than for the EU on average. Therefore, for machinery and mechanical appliances, the US–EU deal has not helped to lower the EU's effective tariff rates.

Compared to its major competitors in the sector, the EU faced a lower effective tariff rate post-deal than Japan (16.7 per cent), but a higher rate than the UK at 8.6 per cent. Also, South Korea, Vietnam and particularly Taiwan were subject to significantly lower effective bilateral tariff rates in that sector. Thus, they had a competitive advantage against the EU for exports to the US in that sector, albeit the product mix diverged as suggested by the different effective tariff rates. That can also help explain why particularly Vietnam and Taiwan had been able to increase their share of overall US imports in that sector significantly over the last year, from around 15 per cent in January 2025 to 25 per cent in March 2026. This growth was driven mainly by imports of automatic data processing machines (HS 8471), which are exempt from tariffs and for which around half of US imports come from Taiwan and Vietnam. It is likely that both countries also benefitted from trade diversion effects to the detriment of China, which faced higher US tariffs.

Regarding the new temporary tariff situation in March 2026, the effective tariff rate for the EU in the sector slightly decreased, as expected. But the reduction for other US trading partners, such as Japan, was bigger. For Germany and Italy, the effective tariff rate for exports of machinery and mechanical appliances to the US even slightly exceeded Japan's in March 2026.

Figure 4-4: Development of US bilateral effective tariff rates for machinery and mechanical appliances
In per cent



Sources: US Census Bureau, own calculation

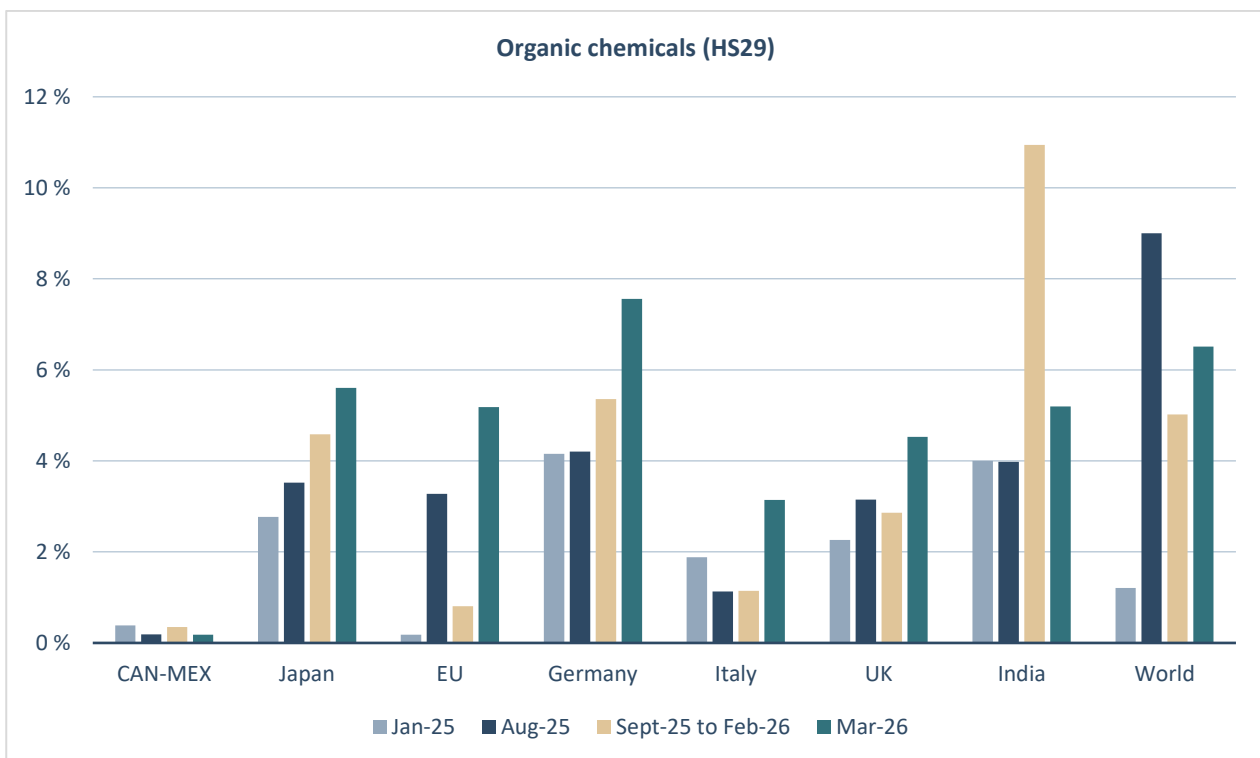
- For **organic chemicals** (HS 29), there was sharp decrease in the EU's effective tariff rate for the period September 2025 to February 2026 compared to August 2025 (see Figure 4-5). But this was entirely due to a significant increase in US imports from Ireland in September in that sector, probably a frontloading strategy. As these imports from Ireland were exempt from tariffs, this misleadingly lowered the effective tariff rate for the EU overall. Excluding Ireland, the effective tariff rate for the EU in that time would be 4 per cent, which represents a small increase from the value in August 2025. Also, looking at other EU Member States such as Germany (5.4 per cent) and Italy (1.1 per cent), the effective tariff rates after the deal were very similar or even a bit higher than before. However, there seem to be a lot of fluctuations in the effective tariffs for this sector, which result from numerous tariff exemptions and temporary frontloading effects. Thus, it is less straightforward to rationally explain some of the changes in the effective tariff rate for the sector over time and across countries.

Compared to the UK or Japan, Italy faced relatively low effective tariff rates, while Germany was at a disadvantage compared to both. Only India, another major supplier of organic chemicals to the US, was worse off with an effective tariff rate of almost 11 per cent. For Canada and Mexico, the tariff rate was also much lower, probably due to the exemptions for products that are covered by the USMCA.

The surprising increase in the effective tariff rate for the EU and some other countries in March 2026 was also likely due to frontloading. As companies were expecting even higher tariffs for that sector they increased imports in March. Indeed, the US Administration invoked additional tariffs on pharmaceuticals and pharmaceutical ingredients in April 2026 under Section 232 (The White House, 2026), which also affects organic chemicals.

Figure 4-5: Development of US bilateral effective tariff rates for organic chemicals

In per cent



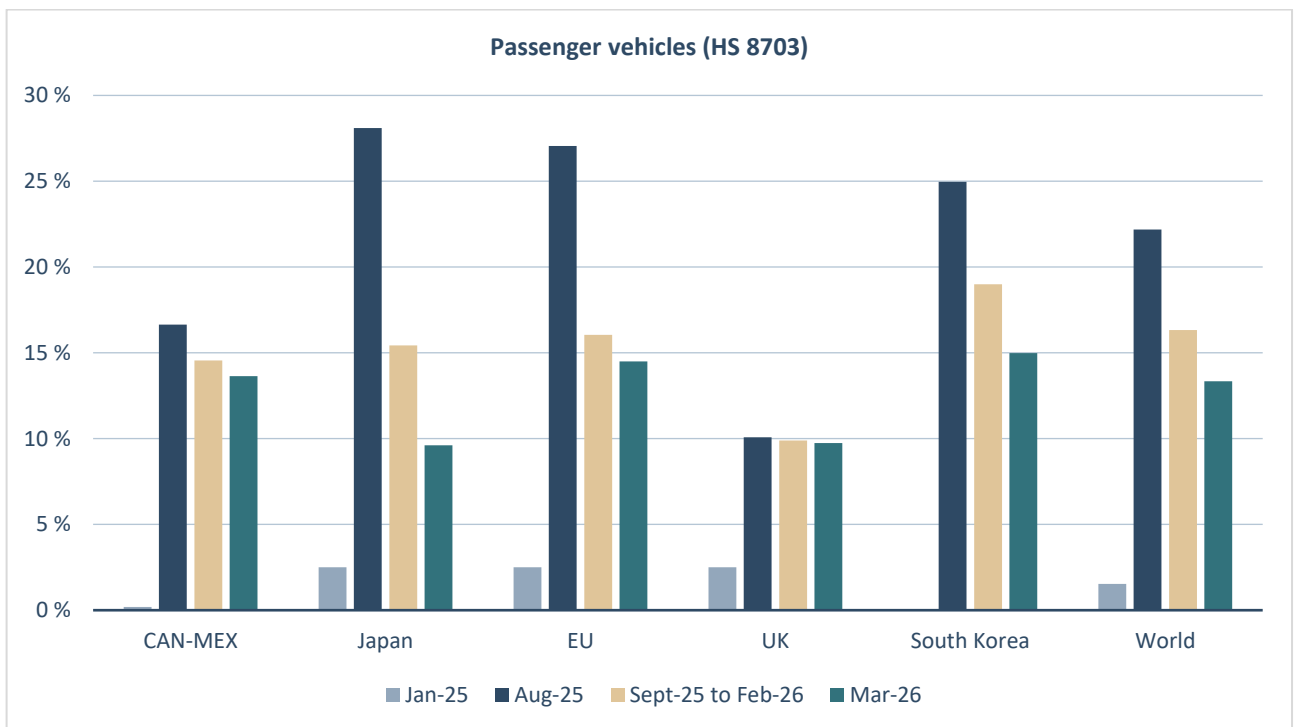
Sources: US Census Bureau, own calculation

- Figure 4-6 shows a clear effect of the US–EU deal for **passenger vehicles (HS 8703)**. But the timing was a bit different than for the other goods, because for passenger vehicles the US Administration only retroactively lowered the tariff rate in late September 2025 (Burkhart/Hammond, 2026). Therefore, in the data the duties were still collected until late September. Thus, in August 2025 the effective tariff rate for the EU was at around 27 per cent, very close to the statutory tariff rate under the Section 232 investigations. In the period from September 2025 to February 2026, the average effective tariff rate dropped to around 16 per cent. It slightly exceeds the statutory tariff rate of 15 per cent, because, as explained above, technically the higher tariff rate (of the additional 25 percentage points) applied until the end of September and was only lowered retroactively to 15 per cent. For the time period October 2025 to February 2026, the effective tariff rate was just below 15 per cent at 14.8 per cent. The average tariffs rates for Germany and Italy were nearly identical to those for the EU; therefore, they are not shown separately in Figure 4.6. The effective tariff rate for the EU was very close to the global average and to that of most of its main competitors in that sector apart from South Korea (19 per cent) and the UK, which had negotiated a lower tariff rate in its deal with the US (subject to a quota).

After the IEEPA tariffs were repealed in March 2026, the EU's effective tariff rate on passenger vehicles dropped slightly to 14.5 per cent. This means that the EU was at a disadvantage also compared to Japan, which now faced an effective tariff rate of just 9.6 per cent.

Figure 4-6: Development of US bilateral effective tariff rates for passenger vehicles

In per cent



Sources: US Census Bureau, own calculation

- The US–EU deal did not lower the EU's bilateral effective tariff rate on **electrical machinery (HS 85)**, as Figure 4-7 shows. Instead, it even increased slightly from 11.4 per cent in August 2025 to 11.5 per cent on average for the period September 2025–February 2026. This was again also likely to be due to the expansion of the list of products that are subject to 50 per cent steel and aluminium tariffs. Exports of

electrical machinery from Germany to the US faced an even higher effective tariff rate of 13 per cent, which is a slight increase compared to August 2025 (12.6 percent).

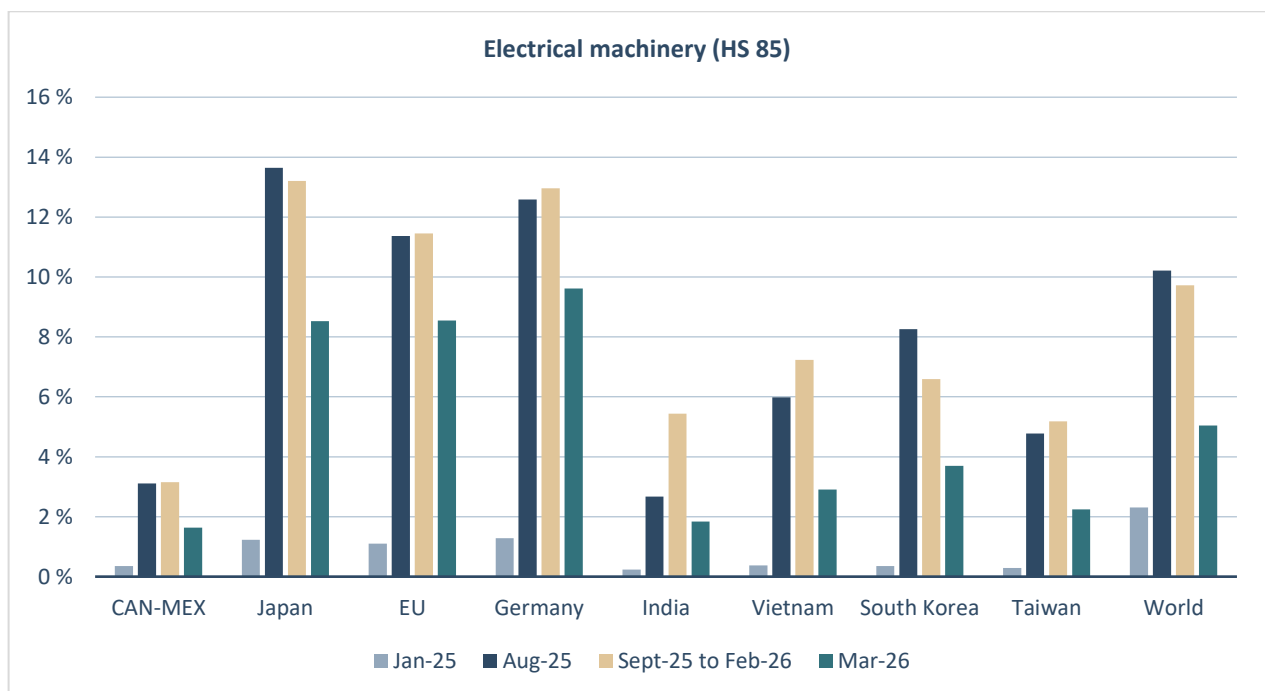
Therefore, post-deal the EU was still at a disadvantage in comparison to the global average, which faced an effective tariff rate of 9.7 per cent in September 2025-February 2026. The EU's disadvantage was even more pronounced compared to some of its main competitors in the sector, such as India, South Korea and particularly Taiwan. This divergence in effective tariff rates was driven by tariff exemptions for semiconductors.

Within semiconductors, two product groups are particularly relevant: discrete semiconductors (HS 8541) and integrated circuits (HS8542). Together, these account for nearly 15 per cent of US imports of electrical machinery, but integrated circuits was by far the larger category, making it much more consequential for the overall effective tariff rate. The distinction between the two is important, also because of the divergence in the tariff rate. Discrete semiconductors (HS 8541) are foundational components for power electronics and industrial automation and are therefore also relevant to the green transition. These goods faced tariffs of around 9 per cent, with China particularly affected with an average tariff of 50 per cent. They were mainly imported mainly from Taiwan, China, Japan, and Vietnam, with only a small share of US imports of these goods, coming from the EU (around 8 per cent). By contrast, integrated circuits (HS 8542) represent the high-value segment of the semiconductor industry, including microprocessors and memory units essential for advanced computing. These were predominantly sourced from Taiwan and Malaysia. Crucially, these imports are tariff-exempt, which further strengthens the relative position of major Asian suppliers.

In March 2026, the effective tariff rates dropped for all considered US trading partners. But for the EU, the drop was less significant than for Japan, meaning that Japan was now tariffed at a lower rate than the EU on average. The effective tariff rate was even higher for Germany at 9.6 per cent.

Figure 4-7: Development of US bilateral effective tariff rates for electrical machinery

In per cent



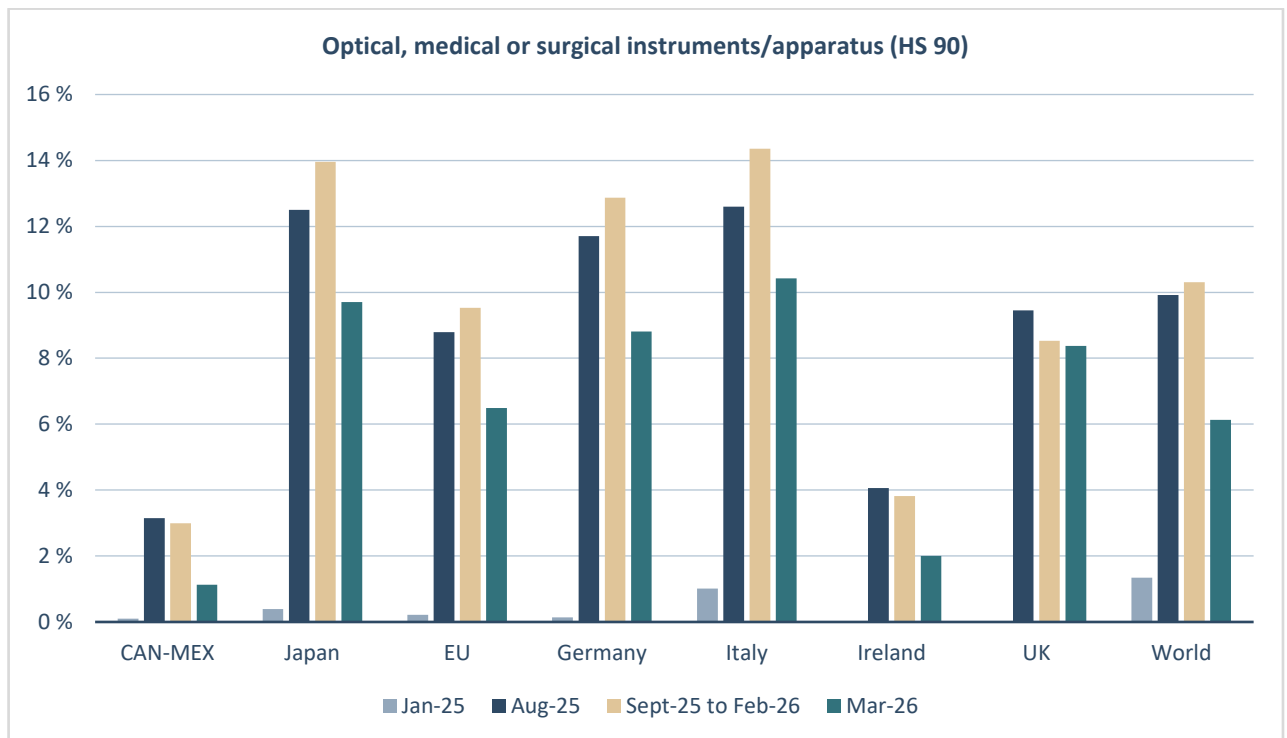
Sources: US Census Bureau, own calculation

- Finally, Figure 4-8 shows that for **optical, medical or surgical instruments/apparatus (HS 90)**, the bilateral effective tariff rate increased after the deal was implemented from 8.8 per cent in August to 9.5 per cent in September 2025-February 2026 for the EU. The increase was of similar magnitude for Germany (11.7 to 12.9 per cent), but it was particularly pronounced for Italy (12.6 to 14.4 per cent). This is a negative direct effect of the US–EU deal, as most of the goods imported from Italy of this category faced an effective tariff of around 13 per cent before the enforcement of the deal that was raised to 15 per cent with the deal. That is even higher than Japan's bilateral effective tariff rate of 14 per cent. Only Ireland saw the rate decrease post-deal to 3.8 per cent. Post-deal, the EU's average effective tariff rate was only slightly below the global average, but still higher than the UK's.

In March 2026, the EU's effective tariff decreased considerably by 3 percentage points to 6.5 per cent, the decreases for Germany and Italy were even steeper. But despite this, both countries still faced a higher tariff than the UK and, in the case of Italy, a higher rate than Japan as well.

Figure 4-8: Development of US bilateral effective tariff rates for optical, medical or surgical instruments/apparatus

In per cent



Sources: US Census Bureau, own calculation

The sectoral analysis shows that while the Turnberry Deal managed to stop the sharply increasing trend between January and August, it did not lower the bilateral effective tariff rate of the EU in many important sectors like machinery and machinery appliances, electrical machinery, medical equipment, and organic chemicals – all of which are important export sectors of the EU and particularly of Germany, to the US. The only exception is passenger vehicles. But even for these products, the EU was not better off than the global average post-deal. In the new temporary tariff situation in March 2026, the EU's effective tariffs are slightly lower than before in most sectors. But because the tariffs for some of its main competitors, like Japan, decreased even more, the EU had lost some of its relative advantages in this situation.

5 Was it a “capitulation”? The disconnect between (geo-)politics and economics

Our analysis shows clearly that the Turnberry Deal put the EU in a slightly better position than its major competitors and that EU exports to the US did not suffer much. What explains the disconnect between there being essentially little economic impact so far and the enormous political reaction?

An initial explanation could be that the absence of any impact on trade is hindsight. The finding that over 90 per cent of the cost of the tariffs was absorbed by the US only came towards the end of 2025 (Hinz et al. 2026), but the negative view of the deal persists despite the accumulating evidence regarding the absence of an economic impact on the EU. Moreover, it was already clear when the deal was concluded that the result would put the EU in the middle of other major US trading partners.

The main reason for the disconnect was that many political commentators failed to distinguish between the standard case in most previous trade negotiations when one country imposes tariffs on one product, or a narrow class of products from one trading partner and the situation with Trump when the US imposed tariffs on most imports and from all trading partners. In the classic political-economy framework of protection, sale tariffs arise mainly because industries lobby for protection through tariffs that benefit them (Grossman/Helpman, 1992). Consumers bear the cost of this protection, but this cost is diffused across millions of consumers and too small for them to notice. Retaliation by foreign countries then targets politically important export sectors. The retaliation is concentrated narrowly so that the affected sectors notice the pain and have an incentive to pressure their government to reverse its course of action. This game is distributive, has small measurable impacts in limited sectors and usually follows a predictable path. Retaliation works because it activates identifiable domestic losers. The many trans-Atlantic trade spats, starting with Airbus-Boeing followed this pattern.

But this time was really different. The broad (mis-named) reciprocal tariffs created by President Trump of in April last year did not arise from intense lobbying by special interest groups. On the contrary, many business associations did not welcome them. Instead, the reciprocal tariffs were based on the narrative that the US manufacturing sector was being hollowed out (Cass, 2026) and that the continuing large US trade deficits must have been due to unfair foreign trade practices. Trump's tariffs were framed as correcting “unfairness” in general. They invoked reciprocity (Mavroidis, 2025).

This shifts the logic of the response. If tariffs are narrative instruments rather than distributive bargains, retaliation does not necessarily change the domestic political equilibrium. Under the classic model, retaliation is needed to create visible, concentrated political pain. But the costs to consumers and importers of the broad reciprocal tariffs were already visible from the start. Moreover, the market reaction was immediate. There was thus no need for retaliation in the traditional sense to create a constituency that lobbies against tariffs on economic grounds. They were not popular (Gresser, 2026) and business opposition is already broad, albeit diffuse so far (The Hill, 2025).

The argument that retaliation by the EU was needed to prevent Trump from ratcheting up rates even more is also somewhat belied by the findings of this Report. China is often cited as a counterexample that is supposed to show that ‘standing up to the bully’ pays off. However, this argument is wrong on two accounts. First of all, US tariffs on China remained at close to 40 per cent much higher than those for the EU, Japan or

other countries that did not retaliate. What sets China apart is the geopolitical setting. Relations with the US are not merely an economic issue in Beijing, they are seen in the context of its over-arching strategic rivalry. Both internal and external legitimacy and credibility depend on showing that China is standing up to external pressure. For China, the narrative of resisting a bully thus has intrinsic political value, independently of the economic outcome. By contrast, for the EU, which is not in a strategic systemic rivalry of the same kind, the calculation is mostly economic.

The evidence that the vast majority of the cost of the tariffs is borne by US consumers (Tax Foundation, 2026) and importers provides a second argument against retaliation by the EU, because the costs of EU tariffs would presumably fall mainly on the EU itself. This is why viewing the accommodating reaction of the rest of the world, and especially that of the European Union, as the "Great Capitulation" misreads the new game with Trump (The New York Times, 2026). This would not be the first time in international relations that the narrative is more important than the economic substance.

6 Summary and Conclusion

This Report gives an overview of the effective import tariff rates of the US on its most important trade partners in 2025 and the first months of 2026. Our analysis shows that the average effective bilateral US tariff rate on imports from the European Union (EU) was only 7.8 per cent from Liberation Day in April 2025 to February 2026. This is significantly lower than the announced tariff rates at the time. The effective tariff rates were somewhat higher for some EU Member States, where the manufacturing sector accounts for a larger share of the economy, such as Germany (10.6 per cent) or Italy (9.6 per cent). However, during the same time period China faced a much higher effective US tariff rate of almost 37 per cent, while for Japan it was 14 per cent and for the UK 6.3 per cent. Imports from Canada and Mexico, in contrast, were effectively only tariffed at 3.8 per cent.

At first sight the differences in average effective tariff rates seem to have had limited impact on trade flows so far as the share of US imports coming from the EU and other industrialized countries have changed only modestly. In contrast, China's share in US imports fell by almost one half between 2024 and 2026, indicating significant trade diversion to the detriment of China.

The Report's focus is a deeper analysis of the effects of the US–EU deal, the so-called Turnberry Deal, effective from September 2025 to February 2026. The following results refer to **total US imports from the EU**:

- From September 2025 to February 2026, when the deal was effective, the US on average levied an effective tariff of 8.2 per cent on imports from the EU, which is much lower than the announced rate of 15 per cent. Moreover, while this was a slight decrease to the peak just before the deal was implemented in August (9.4 per cent) the average value was somewhat skewed by a one-off drop in September 2025.
- There was an immediate decline in the effective bilateral tariff rate for the EU after the enforcement of the deal in September 2025 to 7 per cent. But that was driven by the composition of imports, i.e. more imports of tariff-exempted pharmaceuticals mostly from Ireland, rather than an actual decline in the tariff rate on product groups, that are important for the export to the US. By as early as October 2025, the effective tariff rate returned to a level broadly in line with that in the period before the US–EU deal.
- Thus, while the US–EU deal does seem to have helped to stop the increasing trend in the effective tariff rate on imports from the EU, it did not lead to a significant decline in the rate.
- At the level of individual EU Member States, the results are somewhat more nuanced. Germany, which had the highest effective tariff before the deal at up to 13 per cent, converged to the EU average after the deal came into force. The wedge between Germany's and the EU's overall effective tariff rate narrows. Therefore, the US–EU deal does seem to have improved the relative situation for Germany.
- In comparison to its main competitors on the US market, the EU's position in terms of tariffs after the deal was in the midrange: more favourable than Japan or South Korea, a bit less favourable than the UK, and less favourable than for Canada and Mexico. There was therefore some *relative* gain for the EU due to the Turnberry Deal.

The **sectoral analysis** shows that the US–EU deal did not lower the effective tariff rates in many important EU export sectors:

- German and Italian exports of **machinery and mechanical appliances**, for instance, were tariffed by the US at an effective rate of around 14.5 per cent from September 2025 to February 2026. This is an increase

by between 1 and 2 percentage points in comparison to August 2025. Similarly, for **electrical machinery** the average effective tariff rate for the EU continued to increase after the deal was implemented to reach 11.5 per cent from September 2025 to February 2026. One explanation for this effect is that the list of goods that are subject to the 50 per cent steel and aluminum tariff based on Section 232 of the 1962 Trade Expansion Act was extended in August 2025 to include many machines that count as derivative steel products.

- For both sectors the EU's effective tariff rates were much higher than for Southeast Asian competitors like Taiwan, Vietnam, or South Korea. This result was mainly driven by the different composition of exports to the US. For instance, a high and growing share of Taiwanese exports are automatic data processing machines or various kinds of semiconductors. The US import share of these goods from the EU is rather low. These goods were tariffed at a very low rate or were even duty free. At the same time, they are in high demand due to the AI-boom. This highlights the EU's lack of specialization in product categories that are driving current economic growth and that are therefore hardly tariffed by the US so far.
- A notable exception is **passenger vehicles**. Here the effective tariff rate for the EU on average as well as for individual EU Member States dropped from around 27 per cent to around 15 per cent. But even for passenger vehicles the EU was not much better off than some of its main competitors like Japan (15.4 per cent) after the deal.

Since the US Supreme Court ruling on emergency tariffs in February 2026 the US Administration replaced the reciprocal tariffs globally with an additional temporary 10 per cent tariff using a different legal basis. China and India but also South Korea and Vietnam were the main beneficiaries of this new temporary tariff structure, because their effective tariff rates were reduced considerably. For instance, China's effective tariff rate was reduced by almost 9 percentage points from February 2026 to 23.1 per cent in March 2026. For India the reduction was even greater at 12.3 percentage points to an effective tariff rate of just 8.3 per cent in March 2026. The EU's effective tariff rate also decreased slightly by one percentage point to 8.1 per cent in March 2026. However, as the reductions for its main competitors in Southeast Asia are mostly bigger, the relative advantage the EU previously enjoyed has diminished slightly.

Going forward, assuming the US Administration sticks to the Turnberry Deal, its economic merit for the EU will depend mainly on the level of tariffs that the US is likely to levy after the various ongoing investigations, as well as the reactions of the other US trading partners. If the US broadly replicates the pre-Supreme Court tariff structure, the deal can be viewed positively. However, if the US does not give the EU a relatively preferential treatment, the EU would need to reconsider the balance of the US–EU deal. Because the EU's own tariff concessions towards the US were based on this premise.

Still, the main benefit to the EU of the Turnberry Deal might be at least a certain degree of predictability with regards to US trade relations, as it is highly unlikely that the current US Administration will give up on tariffs. A fact that is corroborated by the on-going investigations under Section 232 and Section 301. In that sense a flexibly formulated suspension clause which would allow the tariff preferences with the US to be suspended, for instance if the US were to impose additional tariffs exceeding the agreed 15 per cent ceiling, would be useful to create diplomatic leverage. Moreover, our sectoral analysis has shown that machinery and electrical machinery exports from the EU to the US are exposed to above-average tariffs mainly due to the additional steel and aluminium tariffs on derivative products. This clearly goes against the spirit of the deal and needs to be addressed urgently. Under these considerations, the Turnberry Deal is indeed a bitter-sweet pill for the EU to swallow, but it is better than constant disruption.

7 Zusammenfassung

US-Zölle: Ein Deal ist ein Deal?

Eine empirische Analyse der effektiven US-Zollsätze auf Importe aus der EU, China und anderen Ländern

Dieser Report gibt einen Überblick über die effektiven US-Importzollsätze gegenüber ihren wichtigsten Handelspartnern im Jahr 2025 und in den ersten Monaten des Jahres 2026. Unsere Analyse zeigt, dass der durchschnittliche effektive bilaterale US-Zollsatz auf Importe aus der Europäischen Union (EU) vom sogenannten „Liberation Day“ im April 2025 bis Februar 2026 lediglich bei 7,8 Prozent lag. Dies ist deutlich niedriger als die damals angekündigten Zollsätze. Für einige EU-Mitgliedstaaten lagen die effektiven Zollsätze etwas höher, insbesondere dort, wo das verarbeitende Gewerbe einen größeren Anteil an der Wirtschaft ausmacht, wie etwa in Deutschland (10,6 Prozent) oder Italien (9,6 Prozent). Im selben Zeitraum war China hingegen mit einem deutlich höheren effektiven US-Zollsatz von nahezu 37 Prozent konfrontiert, während dieser für Japan bei 14 Prozent und für das Vereinigte Königreich bei 6,3 Prozent lag. Im Kontrast dazu wurden US-Importe aus Kanada und Mexiko effektiv lediglich mit 3,8 Prozent verzollt.

Auf den ersten Blick scheinen die Unterschiede in den durchschnittlichen effektiven Zollsätzen bislang nur begrenzte Auswirkungen auf die Handelsströme gehabt zu haben, da sich die Anteile der US-Importe aus der EU und anderen Industrieländern nur moderat verändert haben. Im Gegensatz dazu halbierte sich der Anteil Chinas an den US-Importen zwischen 2024 und 2026 nahezu, was auf eine erhebliche Handelsumlenkung zulasten Chinas hindeutet.

Der Schwerpunkt dieses Reports liegt auf einer vertieften Analyse der Auswirkungen des US-EU Deals, des sogenannten Turnberry Deals, der von September 2025 bis Februar 2026 bereits in Kraft war. Die folgenden Ergebnisse beziehen sich auf die **gesamten US-Importe aus der EU**:

- Von September 2025 bis Februar 2026, also während der bisherigen Geltungsdauer des Deals, erhoben die USA im Durchschnitt einen effektiven Zoll von 8,2 Prozent auf Importe aus der EU, was deutlich unter dem angekündigten Satz von 15 Prozent liegt. Zwar bedeutete dies einen leichten Rückgang gegenüber dem Höchstwert kurz vor Inkrafttreten des Deals im August (9,4 Prozent), allerdings wurde der Durchschnittswert durch einen einmaligen Rückgang im September 2025 verzerrt.
- Unmittelbar nach Inkrafttreten des Deals im September 2025 sank der effektive bilaterale Zollsatz für die EU auf 7 Prozent. Dies war jedoch auf die Zusammensetzung der Importe zurückzuführen, insbesondere auf einen Anstieg zollbefreier pharmazeutischer Produkte – vor allem aus Irland – und nicht auf eine tatsächliche Senkung der Zollsätze für exportrelevante Produktgruppen. Bereits im Oktober 2025 kehrte der effektive Zollsatz wieder auf ein Niveau zurück, das in etwa jenem im Zeitraum vor dem US-EU Deal entsprach.
- Der US-EU Deal scheint somit zwar den Anstieg des effektiven Zollsatzes auf Importe aus der EU gestoppt zu haben, führte jedoch nicht zu einem signifikanten Rückgang.
- Auf Ebene einzelner EU-Mitgliedstaaten zeigt sich ein differenzierteres Bild: Deutschland, das vor dem Deal mit bis zu 13 Prozent den höchsten effektiven Zollsatz hatte, näherte sich nach Inkrafttreten dem EU-Durchschnitt an. Die Differenz zwischen dem deutschen und dem durchschnittlichen EU-Zollsatz verringerte sich. Der Deal scheint somit die relative Situation Deutschlands verbessert zu haben.

- Im Vergleich zu den wichtigsten Wettbewerbern auf dem US-Markt lag die EU nach dem Deal im Mittelfeld: günstiger als Japan oder Südkorea, etwas ungünstiger als das Vereinigte Königreich und weniger günstig als Kanada und Mexiko. Daraus ergab sich ein relativer Vorteil für die EU durch den Turnberry Deal.

Die **sektorale Analyse** zeigt, dass der US-EU Deal die effektiven Zollsätze in vielen wichtigen Exportsektoren der EU nicht gesenkt hat:

- Deutsche und italienische Exporte von Maschinen und mechanischen Geräten wurden beispielsweise von September 2025 bis Februar 2026 mit einem effektiven Zollsatz von rund 14,5 Prozent belegt. Das entspricht einem Anstieg um 1 bis 2 Prozentpunkte gegenüber August 2025. Ähnlich stieg auch der durchschnittliche effektive Zollsatz für elektrische Maschinen nach Inkrafttreten des Deals weiter an und erreichte in diesem Zeitraum 11,5 Prozent. Eine Erklärung hierfür ist die Ausweitung der Liste von Gütern, die unter den 50-prozentigen Stahl- und Aluminiumzoll gemäß Section 232 des Trade Expansion Act von 1962 fallen, wobei im August viele Maschinen als abgeleitete Stahlprodukte einbezogen wurden.
- In beiden Sektoren lagen die effektiven Zollsätze für die EU deutlich über denen südasiatischer Wettbewerber wie Taiwan, Vietnam oder Südkorea. Dies erklärt sich vor allem durch die unterschiedliche Zusammensetzung der Exporte in die USA. So besteht ein großer und wachsender Anteil der taiwanesischen Exporte aus Datenverarbeitungsmaschinen und verschiedenen Halbleitern. Der Anteil dieser Produkte an den US-Importen aus der EU ist hingegen relativ gering. Diese Güter unterlagen sehr niedrigen Zöllen oder waren sogar zollfrei und sind aufgrund des KI-Booms stark nachgefragt. Dies verdeutlicht die mangelnde Spezialisierung der EU auf wachstumsstarke Produktkategorien, die derzeit kaum von US-Zöllen betroffen sind.
- Eine bemerkenswerte Ausnahme bilden Pkw: Hier sank der effektive Zollsatz für die EU im Durchschnitt sowie für einzelne Mitgliedstaaten von etwa 27 Prozent auf rund 15 Prozent. Dennoch war die EU selbst in diesem Bereich nach dem Deal kaum bessergestellt als wichtige Wettbewerber wie Japan (15,4 Prozent).

Nach dem Urteil des US Supreme Court zu Notfallzöllen im Februar 2026 ersetzte die US-Regierung die gegenseitigen Zölle weltweit durch einen zusätzlichen temporären Zoll von 10 Prozent auf einer anderen rechtlichen Grundlage. Hauptnutznießer dieser neuen Struktur waren China und Indien sowie Südkorea und Vietnam, da ihre effektiven Zollsätze erheblich sanken. So verringerte sich der effektive Zollsatz für China zwischen Februar und März 2026 um fast 9 Prozentpunkte auf 23,1 Prozent. Für Indien war der Rückgang mit 12,3 Prozentpunkten noch größer und führte zu einem effektiven Zollsatz von nur 8,3 Prozent im März 2026. Der effektive Zollsatz für die EU sank hingegen nur leicht um einen Prozentpunkt auf 8,1 Prozent. Da die Rückgänge bei den wichtigsten Wettbewerbern in Südostasien jedoch größer waren, verringerte sich der relative Vorteil der EU entsprechend.

Mit Blick nach vorn hängt der wirtschaftliche Nutzen des Turnberry Deals für die EU – unter der Annahme, dass die US-Regierung daran festhält – vor allem von der Höhe der künftigen US-Zölle nach Abschluss laufender Untersuchungen sowie den Reaktionen anderer Handelspartner ab. Sollte die US-Regierung im Wesentlichen zur Zollstruktur vor dem Urteil des Supreme Court zurückkehren, wäre das Abkommen positiv zu bewerten. Erfolgt jedoch keine relative Besserstellung der EU, müsste diese die Balance des US-EU Deals überdenken, da ihre eigenen Zugeständnisse auf dieser Annahme basierten.

Der wichtigste Vorteil des Turnberry Deals könnte für die EU dennoch in einem gewissen Maß an Vorhersehbarkeit der Handelsbeziehungen liegen, da es sehr unwahrscheinlich ist, dass die derzeitige US-Regierung auf Zölle verzichtet – was durch die laufenden Untersuchungen im Rahmen von Section 232 und Section 301 untermauert wird. In diesem Sinne wäre eine flexibel formulierte Suspensionsklausel, die es erlaubt, Zollpräferenzen auszusetzen (z. B. bei Überschreitung der vereinbarten Obergrenze von 15 Prozent), sinnvoll, um diplomatischen Spielraum zu schaffen.

Zudem zeigt die sektorale Analyse, dass Maschinen und Elektrotechnikexporte der EU in die USA etwa aufgrund zusätzlicher Stahl- und Aluminiumzölle auf weiterverarbeitete Produkte überdurchschnittlich stark belastet sind. Dies widerspricht klar dem Geist des Deals und sollte dringend adressiert werden. Insgesamt ist der Turnberry Deal somit eine bitter-süße Pille für die EU – aber immer noch besser als anhaltende Disruption im Handel.

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