

Joint Statement Between the United States and the European Union on a Framework Agreement for Reciprocal, Fair, and Balanced Trade
August 21, 2025

The United States and the European Union are pleased to announce that they have agreed on a Framework on an Agreement on Reciprocal, Fair, and Balanced Trade ("Framework Agreement"). This Framework Agreement represents a concrete demonstration of our commitment to fair, balanced, and mutually beneficial trade and investment. This Framework Agreement will put our trade and investment relationship—one of the largest in the world—on a solid footing and will reinvigorate our economies' reindustrialization. It reflects acknowledgement by the European Union of the concerns of the United States and our joint determination to resolve our trade imbalances and unleash the full potential of our combined economic power. The United States and the European Union intend this Framework Agreement to be a first step in a process that can be further expanded over time to cover additional areas and continue to improve market access and increase their trade and investment relationship.

The key terms include:

1. The European Union intends to eliminate tariffs on all U.S. industrial goods and to provide preferential market access for a wide range of U.S. seafood and agricultural goods, including tree nuts, dairy products, fresh and processed fruits and vegetables, processed foods, planting seeds, soybean oil, and pork and bison meat. The European Union will immediately take the necessary steps to extend the Joint Statement of the United States and the European Union on a Tariff Agreement announced on August 21, 2020, with respect to lobster (that expired 31 July 2025), coupled with an expanded product scope to include processed lobster.

2. The United States commits to apply the higher of either the U.S. Most Favored Nation (MFN) tariff rate or a tariff rate of 15 percent, comprised of the MFN tariff and a reciprocal tariff, on originating goods of the European Union. Additionally, effective as of 1 September 2025, the United States commits to apply only the MFN tariff to the following products of the European Union: unavailable natural resources (including cork), all aircraft and aircraft parts, generic pharmaceuticals and their ingredients and chemical precursors. The United States and the European Union agree to consider other sectors and products that are important for their economies and value chains for inclusion in the list of products for which only the MFN tariffs would apply.

3. The United States intends to promptly ensure that the tariff rate, comprised of the MFN tariff and the tariff imposed pursuant to Section 232 of the Trade Expansion Act of 1962, applied to originating goods of the European Union subject to Section 232 actions on pharmaceuticals, semiconductors, and lumber does not exceed 15 percent. When the European Union formally introduces the necessary legislative proposal to enact the tariff reductions set forth in Section 1 of this Framework Agreement, the United States will reduce tariffs on automobiles and automobile parts originating from the European Union subject to Section 232 tariffs as follows: No Section 232 automobile or automobile parts tariffs will apply to covered European Union goods with an MFN tariff of 15 percent or higher; and for covered goods with an MFN rate lower than 15 percent, a combined rate of 15 percent, comprised of the MFN tariff and Section 232 automobile tariffs, will be applied. These tariff reductions are expected to be effective from the first day of the same month in which the European Union's legislative proposal is introduced. The United States expects the European Union's legislative proposals will be consistent with this Framework Agreement and enacted by the necessary legislatures. All modifications to U.S. Section 232

tariffs will be executed in a manner that reinforces and is consistent with U.S. national security interests. With respect to steel, aluminum, and their derivative products, the European Union and the United States intend to consider the possibility to cooperate on ring-fencing their respective domestic markets from overcapacity, while ensuring secure supply chains between each other, including through tariff-rate quota solutions.

4. The United States and the European Union will negotiate rules of origin that ensure that the benefits of the Agreement on Reciprocal Trade accrue predominately to the United States and the European Union.

5. The United States and the European Union commit to cooperate on ensuring secure, reliable, and diversified energy supplies, including by addressing non-tariff barriers that might restrict bilateral energy trade. As part of this effort, the European Union intends to procure U.S. liquified natural gas, oil, and nuclear energy products with an expected offtake valued at \$750 billion through 2028. In addition, the European Union intends to purchase at least \$40 billion worth of U.S. AI chips for its computing centers. The European Union further plans to work with the United States to adopt and maintain technology security requirements in line with those of the United States. in a concerted effort to avoid technology leakage to destinations of concern. The United States will endeavor to facilitate such exports once such requirements are in place.

6. The United States and the European Union share one of the world's largest economic relationships, supported by mutual investment stocks exceeding \$5 trillion, and intend to promote and facilitate mutual investments on both sides of the Atlantic. In this context, European companies are expected to invest an additional \$600 billion across strategic sectors in the United States through 2028. This investment reflects the European Union's strong commitment to the transatlantic partnership and its recognition of the United States as the most secure and innovative destination for foreign investment.

7. The European Union plans to substantially increase procurement of military and defense equipment from the United States, with the support and facilitation of the U.S. government. This commitment reflects a shared strategic priority to deepen transatlantic defense industrial cooperation, strengthen NATO interoperability, and ensure that European allies are equipped with the most advanced and reliable defense technologies available.

8. The United States and the European Union commit to work together to reduce or eliminate non-tariff barriers. With respect to automobiles, the United States and the European Union intend to accept and provide mutual recognition to each other's standards. Cooperation on standards plays a crucial role in enhancing the transatlantic marketplace. The European Union and United States commit to enhance opportunities for technical cooperation between EU- and U.S.-domiciled standards development organizations with the objective of identifying and developing standards for the transatlantic marketplace in key sectors of mutual interest. The United States and the European Union commit to facilitate conformity assessments to cover additional industrial sectors.

9. Recognizing the importance of continued engagement to resolve longstanding concerns, the European Union and the United States commit to work together to address non-tariff barriers affecting trade in food and agricultural products, including streamlining requirements for sanitary certificates for pork and dairy products.

10. Recognizing that production of the relevant commodities within the territory of the United States poses negligible risk to global deforestation, the European Union commits to work to address the concerns of U.S. producers and exporters regarding the EU Deforestation Regulation, with a view to avoiding undue impact on U.S.-EU trade.

11. Taking note of the U.S. concerns related to treatment of U.S. small and medium-sized businesses under the Carbon Border Adjustment Mechanism (CBAM), the European Commission, in addition to the recently agreed increase of the de minimis exception, commits to work to provide additional flexibilities in the CBAM implementation.

12. The European Union commits to undertake efforts to ensure that the Corporate Sustainability Due Diligence Directive (CSDDD) and the Corporate Sustainability Reporting Directive (CSRD) do not pose undue restrictions on transatlantic trade. In the context of CSDDD, this includes undertaking efforts to reduce administrative burden on businesses, including small- and medium-sized enterprises, and to propose changes to the requirement for a harmonized civil liability regime for due diligence failures and to climate-transition-related obligations. The European Union commits to work to address U.S. concerns regarding the imposition of CSDDD requirements on companies of non-EU countries with relevant high-quality regulations.

13. The European Union reaffirms that U.S. conformity assessment bodies can be designated as Notified Bodies in accordance with the Sectoral Annex for Telecommunications Equipment to the Agreement on Mutual Recognition Between the European Community and the United States (1998) to carry out the tasks in relation to all essential requirements, including cybersecurity, in the Radio Equipment Directive 2014/53/EU. In addition, the United States and the European Union will commit to negotiate a mutual recognition agreement on cybersecurity.

14. The European Union and the United States commit to strengthen cooperation and action related to the imposition of export restrictions on critical mineral and other similar resources by third countries.

15. The United States and the European Union commit to discuss high-standard commitments related to intellectual property rights protection and enforcement.

16. The European Union and the United States commit to work together to ensure strong protection of internationally recognized labor rights, including with regard to the elimination of forced labor in supply chains.

17. The United States and the European Union commit to address unjustified digital trade barriers. In that respect, The European Union confirms that it will not adopt or maintain network usage fees. The United States and the European Union will not impose customs duties on electronic transmissions. The United States and the European Union intend to continue to support the multilateral moratorium on customs duties on electronic transmissions at the World Trade Organization and seek the adoption of a permanent multilateral commitment.

18. The European Union intends to consult with the United States and U.S. traders on digitalization of trade procedures and implementation of the legislation currently proposed on EU Customs Reform.

19. The United States and the European Union agree to strengthen economic security alignment to enhance supply chain resilience and innovation by taking complementary actions to address non-market policies of third parties as well as cooperating on inbound and outbound investment reviews and export controls, as well as duty evasion. This includes addressing non-market practices, unfair competition, and lack of reciprocity in public procurement with respect to third countries. The United States and the European Union will cooperate on further implementation measures.

The United States and the European Union, in line with their relevant internal procedures, will promptly document the Agreement on Reciprocal, Fair, and Balanced Trade to implement this Framework Agreement.

NOTE: An original was not available for verification of the content of this joint statement.

Categories: Joint Statements : European Union, framework agreement with U.S. for reciprocal, fair, and balanced trade.

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