

14/05/2025

Submission regarding potential EU rebalancing measures in response to US tariffs on imports of various products

Eucolait firmly opposes the blanket 10% tariff imposed by the United States as of 5 April 2025, which applies indiscriminately to all EU goods, including dairy products. We fully support the European Commission's continued efforts to de-escalate the trade tensions and to prioritise solutions that avoid further tariff increases. We are deeply concerned about the potential introduction of a 20% tariff on 9 July 2025 if the negotiations during the 90-day suspension are not fruitful. While we understand the need to respond to the US' violation of multilateral trading rules, we firmly believe that our sector should not be included in the EU's rebalancing measures.

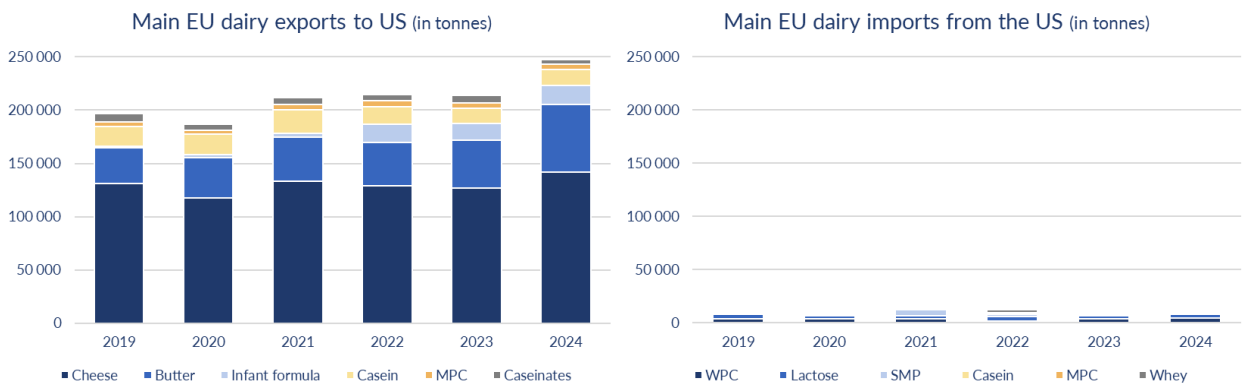
The United States is a critical trading partner for the EU dairy sector, ranking as the fourth-largest export market, with shipments exceeding €2 billion in 2024, primarily comprising cheese and butter.

EU dairy export destinations in 2024		
Country	Share of EU exports	Δ% 24/23
Total	100%	↓ -1%
UK	13%	↓ -2%
China	11%	↓ -5%
Algeria	6%	↑ +3%
United States	5%	↑ +14%
Indonesia	4%	↑ +18%
Japan	4%	↓ -4%
Malaysia	3%	↓ -6%
Saudi Arabia	3%	↓ -14%
Thailand	3%	↓ -1%
Egypt	2%	↓ -7%
Philippines	2%	↑ +42%
South Korea	2%	↑ +4%
Switzerland	2%	↑ +2%
ROW	39%	↓ -5%

According to Article 4(3) of Enforcement Regulation 654/2014, any EU countermeasures must be effective in encouraging compliance with international trade obligations and capable of mitigating the negative impacts of third-country actions on EU economic operators. However, the inclusion of dairy products in the draft rebalancing list fails to meet either objective.

EU imports of dairy products from the US are minimal. This is primarily due to existing high EU tariffs and limited consumer demand for US dairy products in an already mature and saturated European market. While the US is a significant global exporter of dairy, less than 1% of its dairy exports are destined for the EU. As a result, targeting these products would have negligible economic consequences for US exporters and would not serve as an effective lever to encourage compliance with international trade norms.

Furthermore, imposing additional duties on these imports would not offer any tangible relief to the EU dairy sector. Given the limited volume and marginal market impact of US dairy imports, such measures would neither offset the harm caused by the US tariffs nor benefit EU producers. Instead, they would risk unnecessarily drawing the EU dairy sector deeper into the ongoing trade dispute, potentially triggering further retaliatory measures.



We urge the European Commission to reconsider the inclusion of dairy products in the proposed list of countermeasures as this would be ineffective and counterproductive. Instead, we call for a balanced and constructive approach that defends EU interests while preserving the integrity of one of the world’s most important trade relationships.