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## TRUMP STARTS COUNTDOWN TO EU TRADE WAR

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Foreign "dumping" of cheap metals was responsible for "shuttering [US] plants and mills \* laying off millions of workers and the decimation of entire communities," he said.

"We want to build our ships, build our planes, our military equipment with aluminium and steel from our country," he added.

He exempted Canada and Mexico from the tariffs, which are to come into effect in 15 days, due to ongoing talks on a North American trade accord.

He also said he would show "great flexibility and cooperation for those who were truly friends of ours both in trade and security terms," but he did not exempt the EU.

The EU's first response came from trade commissioner Cecilia Malmstroem.

"The EU is a close ally of the US and we continue to be of the view that the EU should be excluded from these measures," she said on Twitter.

She said she would "seek more clarity" when she met Trump's trade chief, Robert Lighthizer, in Brussels on Saturday.

The European Commission had earlier said it might impose tariffs on US motorbikes, jeans, bourbon, tobacco, oranges, and peanut butter in response, threatening a trade war that could escalate to also hit German exports of cars to America.

The French economy minister Bruno Le Maire said on Thursday there would be "only losers" on both sides if that happened.

But French foreign minister Jean-Yves Le Drian called for "a strong response." "Europe must show its sovereignty, its power," he said.

EU steel and aluminium producers also cried out.

"The US measure baselessly includes EU producers, who will suffer significantly from the loss of one of its major export markets," Axel Eggert, the head of the European steelmakers lobby, Eurofer, said.

"The loss of exports to the US, combined with an expected massive import surge in the EU could cost tens of thousands of jobs in the EU steel industry and related sectors", he added.

Gerd Goetz, the head European Aluminium, said: "The imposed tariff and influx of additional non-European aluminium could have severe economic consequences for SME's [small and medium-sized enterprises] in countries such as Germany, Italy, France, Spain, Sweden and in central and east European countries."

"If we do not act immediately, Europe is at risk to lose a strategic industry which is essential to decarbonise the entire economy, make our buildings more efficient and our cars lighter," he said.

With the UK angling for a free trade deal with the US after it left the EU, Gareth Stace, the director of UK Steel, added: "Imposing such measures on US allies in the name of national security is difficult to comprehend."

Australia, China, Japan, and South Korea also spoke out against Trump's plan, while threatening to take action via the World Trade Organisation.

Canada and Mexico welcomed their exemptions, but said they would continue to oppose Trump's assault on free trade.

A handful of US politicians from Trump's Republican Party also rallied against him.

US House speaker Paul Ryan said he feared "unintended consequences" on US firms that needed cheap metals to make their products.

Jeff Flake, a Republican senator, said he would introduce an emergency bill to nullify Trump's order, adding: "I urge my colleagues to pass it before this exercise in protectionism inflicts any more damage on the economy".

"The US will become an island of high steel prices that will result in our customers simply sourcing our products from our overseas competitors and importing them into the United States tariff-free," America's Precision Metalforming and National Tooling and Machining associations said.

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Kaynak/Source: