Council of the European Union

PRESS

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BACKGROUND BRIEF[1]
Brussels, 8 May 2025

Foreign Affairs Council (Trade), Brussels, 15 May 2025

Chair: Michał Baranowski, Undersecretary of State at the Ministry of Economic Development and Technology of Poland, responsible for Trade.

European Commission's representatives: Commissioner **Maroš Šefčovič .**

Starting time: 10:00

Media opportunities:

- Doorstep by **Michał Baranowski** (+/- 09.15)
- Press conference by **Michał Baranowski** and **Maroš Šefčovič** (+/- 14.30)

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Ministers will hold a policy debate on **EU–US trade relations**. The Council will also exchange views on **European economic security**, including the review of the FDI Screening Regulation, export controls, and outbound investment controls. Ministers will dedicate the working lunch to ongoing **trade negotiations**.

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Foreign Affairs Council (Trade) – meeting page

Foreign Affairs Council (Trade) - video coverage in broadcast quality (MPEG4) and photo gallery.

Press conferences and public events by video streaming

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[1] This note was drawn up under the responsibility of the press office.

EU–US trade relations

Ministers will hold a policy debate on EU–US trade relations.

Under the new administration, the United, the United States has adopted several tariff measures, some of which have been paused. The US measures currently in force include: tariffs of 25% on **steel, aluminium and their derivatives**; tariffs of 25% on imported **cars, light trucks, and certain automotive parts**; and a baseline **10% tariff** (applying to all US trading partners subject to the new universal tariff regime). In the case of the EU, this 10% baseline tariff could be supplemented by an additional 10% (individualised) tariff after the current US pause expires – on 9 July.

On 14 April, following consultations with member states, the Commission adopted two complementary implementing acts concerning **EU countermeasures** (in relation to US tariffs on steel, aluminium and their derivatives) – while the first act imposed the countermeasures, the second act suspended them until 14 July. The Commission is working on possible further countermeasures, to be applied only if needed, following the fulfilment of the necessary procedural steps.

The ongoing suspensions should give space for negotiations with the US.

Against this backdrop, the European Commission will report on the state of play of the negotiations with the US side. Ministers will discuss the prospects for reaching a balanced and mutually acceptable solution with the US before the suspensions expire. They will also consider preparations for potential further EU countermeasures, if no such solution can be agreed between the EU and the US, as well as the risk of trade diversion. The aim of the discussion is to assess the current situation and provide guidance for future work.

EU-US trade in goods and services reached **€1.6 trillion in 2023**, according to Eurostat data. The total bilateral **trade in goods** reached €851 billion in 2023. The EU exported €503 billion of goods to the US market, while importing €347 billion; this resulted in a goods trade surplus of €157 billion for the EU. Total bilateral **trade in services** between the EU and the US was worth €746 billion in 2023. The EU exported €319 billion of services to the US, while importing €427 billion from the US; this resulted in a services trade deficit of €109 billion for the EU.

European economic security

The Council will also exchange views on **European economic security**, focusing on the review of the Foreign Direct Investment (FDI) screening regulation, the coordination around the **export of dual-use goods** and, the assessment of the potential risks of outbound investment.

The EU intends to strengthen the **screening of FDI** entering the EU to identify and prevent or mitigate any security risks. This involves ensuring all member states have a screening mechanism with a common minimum scope, harmonising the national screening procedures, and improving the co-ordination between screening authorities. Ministers will take stock of the progress on the revised FDI screening regulation with a view to launching negotiations with the European Parliament.

Additionally, the EU intends to strengthen its **export control framework**. In 2024, Council conclusions called for the full implementation of the dual-use regulation, which aims for a more coordinated approach to the export of dual-use goods – items that have both civilian and military applications, such as advanced electronics – ensuring they do not fall into the wrong hands. The work continues on how to introduce export controls on new dual-use items. An agreement has been reached at technical level at the Council on the way forward to introduce EU-level temporary controls on most critical emerging technology. Furthermore, on 16 April 2025 the EU has released a recommendation aimed at enhancing coordination of national export control lists of dual-use items. The recommendation provides a framework that will help member states to align their national controls with both EU and multilateral standards.

Finally, there is a need to monitor the potential risks of certain **EU investments abroad** to avoid technology misuse, particularly when advanced technologies might be used to enhance the military capabilities of actors who could pose a threat to the EU. In January, the Commission released a recommendation to member states on the monitoring procedure to analyse the extent of the problem in detail. Member states should report on their results by June 2026 and the Commission and member states will then analyse the results and consider what action to take.

- European Economic Security Strategy
- FDI regulation
- New tools to reinforce the EU's economic security - European Commission

Trade negotiations

Ministers will dedicate the working lunch to ongoing **trade negotiations**, including agreements already negotiated and still pending.

The EU currently has the largest trade agreement network in the world. It is negotiating, inter alia, with the following partners: India, Indonesia, Thailand, the Philippines, Malaysia, Cooperation Council for the Arab States of the Gulf (GCC)/ United Arab Emirates, Eastern and Southern Africa (ESA 5), Australia, Mercosur and Mexico.

Trade agreements (background information)