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Concerns Regarding Expansion of US Tariffs on Machinery Products

Dear Madam President,

On behalf of the VDMA, which represents 3,600 European machinery and equipment manufacturers, I thank you for your efforts in pursuing a trade accord with the United States. We recognize the challenges surrounding these discussions and appreciate your commitment to finding a solution. We must, however, also convey our disagreement with your characterization of the recent agreement with the Trump Administration as ensuring "stability and predictability" (Frankfurter Allgemeine Zeitung, 24. August 2025). To our dismay, the United States imposed punishing new tariffs far higher than 15 percent on a range of machinery products, weeks after the agreement was reached. Still worse, the U.S. Administration has signaled its plans to expand this list in the fall.

The VDMA greeted the announcement of a new 15-percent across-the-board "reciprocal tariff" in late July with measured optimism. Although the blanket tariff represents a significant new trade barrier to our most important export market outside the EU, at least producers and their customers had planning security once again in the American market.

The new Section 232 tariffs have now sent a fresh chill of uncertainty rippling through European industry. The harm caused by them, along with the prospect of still more in the months to come, are sending key machinery sectors hurdling toward the precipice of an existential crisis.

Accordingly, the VDMA strenuously urges the Commission to make all available efforts to relieve the EU from the Section 232 tariffs on steel and aluminum derivatives, and to ensure that machinery and equipment are excluded from future sectoral tariffs.

In particular, the new wave of Section 232 duties imposed on August 18 has squarely hit machinery and equipment. While the March round of tariffs on steel and aluminum derivatives impacted primarily the spare-parts business of machinery makers, this new round hits core business lines: both critical industrial components, as well as finished machines. Approximately 150 new product codes under Chapter 84 have been added to the list of steel derivatives, including those for motors, pumps, injection molding machines, material handling machinery, industrial robots, agricultural and construction equipment, and bearings. Additionally, 15 new codes have been added to the list of aluminum derivatives, with further impacts on machinery articles outside Chapter 84. These new duties were imposed weeks after the handshake agreement in Scotland, without any time to prepare, and without even an “on the water exception” for goods already in transit.

As a result, about 30 percent of U.S. machinery imports from the EU are now subject to 50-percent tariffs on the metal content of the product. Moreover, Section 232 tariffs come with painful new bureaucratic burdens, requiring declarations of country of melt and pour for steel, country of smelt and cast for aluminum, and proof of price paid for the metal content by suppliers. These requirements impose costly paperwork and compliance burdens for European manufacturers—again, without any advance notice.

The U.S. Department of Commerce is set to continue expanding the Section 232 lists every four months via a public inclusion process. Other sectoral tariffs such as copper, auto parts, critical minerals and derivatives, trucks and truck parts, polysilicon and derivatives, drones, wind turbines and components are also subject to these processes.

The Commission, however, has secured a 15-percent cap agreement in sectors such as autos, auto parts, semiconductors, pharmaceuticals, and lumber. But the heart of the European manufacturing industry—machinery and equipment—has been left out. The gauzy aspiration expressed in the Joint Statement to solve this—including by means of a potential tariff-rate quota for steel and aluminum—lacks teeth, to say the least. Moreover, a tariff-rate quota would presumably still leave impacted manufacturers burdened with the costly obligation of determining the steel or aluminum content of a machine with hundreds of parts containing metal, often purchased via a complex network of suppliers.

For all these reasons, the VDMA urges you to urgently seek a solution that delivers the promised stability and predictability to machinery and equipment manufacturers, which other sectors currently enjoy.

We thank you for your efforts in shoring up this agreement with the U.S. Administration and improving the conditions currently damaging the European manufacturing industry. We remain hopeful that a durable resolution can be achieved swiftly, and we stand ready to support you and the Commission in securing a sustainable future for European industrial competitiveness.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Kawlath", with a long, sweeping horizontal stroke extending to the right.

Bertram Kawlath
President