Avoiding the Turnberry Trap

The Renewed EU–US Trade Relationship and What to Expect from Its Implementation

Philipp Reinhold

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In March 2026, after several postponements due to Greenland and other threats, the European Parliament approved (parts of) the legally non-binding political agreement on tariffs and other trade issues between the EU and the USA, concluded in July 2025 and known as the "Turnberry Deal". This paves the way for formal EU trilogue negotiations (between the Council, the EP, and the Commission) which will potentially result in significant tariff reductions for US goods. The Turnberry Deal, widely perceived as involving significant EU concessions, aims to restore a degree of stability after a prolonged period of trade turbulence with the USA. However, its asymmetrical nature may not necessarily achieve a preferred stability and ultimately proved to be short-lived. The EU's assumption that heavy concessions will buy stability risks becoming a trap: it hands the USA the upper hand in trade without guaranteeing that tariffs will not be further used as geopolitical leverage. Nonetheless, the EP's heavily conditional approval with numerous mechanisms to quickly respond to any external threat evidently shows that the EU has learnt its lesson. The US has changed, and so too must the EU, without abandoning the goal of international cooperation.

Background of the Turnberry negotiations: Escalation of the trade dispute between the US and the EU

Trade negotiations aim to achieve deeper economic integration, which regularly goes beyond the level of liberalisation agreed under the WTO framework. According to the trade strategy of the US under the "Fair and Reciprocal Plan", however, new negotiations aim "for restoring fairness in US trade relationships and countering non-reciprocal trading arrangements". From the EU's perspective, negotiations with the US are primarily aimed at ending the steadily intensifying tariff dispute, which recently threatened to escalate.

In 2018 and 2020, the US imposed additional tariffs on European steel and aluminium products on national security grounds pursuant to Sec. 232 of the Trade Expansion Act 1962, whereupon the EU responded in each case (2018 and 2020) with retaliatory tariffs. Following bilateral talks, in which the US agreed on specific quotas, the countermeasures were lifted. Following the re-election of Trump, the EU offered a reduction in tariffs during EU Trade Commissioner Maroš Šefčovič's first visit to the US in February 2025, to prevent a new tariff dispute. Just a few days after this visit, however, the US imposed tariffs of up to 25% on imports of steel and aluminium, as well as on certain goods containing these materials. Presidents of various EU Member States attempted to convince Trump that a trade conflict with the EU could not be in the US's interests. At the same time, the EU prepared to reintroduce the 2018 and 2020 tariffs and to enact additional countermeasures.

On 2 April 2025 the US imposed a 10% ad valorem tariff on all imports, as well as an additional country-specific tariff based on the existing trade deficit, under the International Emergency Economic Powers Act (IEEPA) and the National Emergencies Act (NEA), which for the EU led to a 20% ad valorem tariff (so-called "Liberation Day Tariffs"). On 9 April 2025, however, a temporary (90-day) reduction to the base tariff (of 10%) was decided – except for steel, aluminium and automobiles – which was justified by negotiation offers from various trading partners. The day before, the EU's planned countermeasures received the necessary support from Member States, but were then suspended to allow for negotiations with the US.

On 3 June 2025, the US raised its steel and aluminium tariffs to 50% despite the prospect of negotiations. On 12 July 2025, Trump also announced that a 30% tariff would come into effect from 1 August 2025 on imports from Mexico and the EU. Commission President von der Leyen subsequently declared that the imposition of countermeasures would be postponed one last time until 1 August 2025. On 14 July 2025, EU trade ministers met to discuss further steps, including additional countermeasures.

Against this background, the Turnberry Deal – the details of which were made public in the form of a "Joint Statement on a Framework for an Agreement between the European Union and the United States of America on Reciprocal, Fair and Balanced Trade" – can be regarded as a last attempt to prevent a further escalation of the EU-US tariff dispute. US Trade Representative Jamieson Greer described it as a "historic agreement – one that is fair, balanced and geared towards serving concrete national interests rather than the vague aspirations of multilateral institutions." This did not, however, prevent the US from extending the existing steel and aluminium tariffs to further product categories (steel derivatives) and, furthermore, from initiating additional product-specific Sec. 232 investigations, also affecting EU exports. A further adjustment took place on 2 April 2026.

Key elements of the Turnberry Deal

The Turnberry Deal contains in its 19 "key terms" a plethora of very diverse commitments, which can be divided into four broad categories: tariffs, non-tariff measures, procurement and investment commitments, and coordination vis-à-vis third parties.

Regarding tariff commitments, the EU agrees to eliminate tariffs on industrial goods from the US and create better market access for various fishery products and agricultural exports, including dairy, meat, vegetables and fruit, soya oil, plant seeds, cereals, nuts and processed foods (para. 1). The US intends to apply either a most-favoured-nation (MFN) tariff or a 15% reciprocal tariff to almost all EU imports, whichever of the two rates is higher (para. 2). The 15% ceiling will also apply to any potential future tariffs on pharmaceuticals, semiconductors and lumber, including Sec. 232 tariffs. The same applies to automobile and automobile parts in case the EU provides immediate tariff relief (para. 3). For "non-available" natural resources, aircraft and aircraft parts, generic medicines and their components, and basic chemicals, only the MFN tariff is to apply from 1 September 2025, with the prospect of a future expansion of the product scope (para. 2).

Regarding non-tariff trade barriers, both sides agreed in principle on reductions, simplifications, mutual recognition, the development of common standards and technical cooperation in areas such as the energy (para. 5), the automotive (para. 8), as well as the food and agricultural sector (para. 9), the telecommunications sector (para. 13) and digital trade (paras. 17 and 18). The EU also committed "to undertake efforts" to reduce the bureaucratic burden on US companies arising from the Deforestation Regulation, the Carbon Border Adjustment Mechanism (CBAM) and reporting obligations under the Corporate Sustainability Due Diligence Directive (CSDDD) and the Corporate Sustainability Reporting Directive (CSRD) (paras. 10, 11 and 12).

The Turnberry Deal also includes transaction-related commitments of the EU. In the energy sector, this concerns LNG, oil and nuclear energy products from the US with an expected offtake valued at US$750 billion through 2028, as well as US$40 billion worth of AI chips (para. 5). The EU also plans to increase its procurement of US defence equipment (para. 7).

A large part of the Turnberry Deal is devoted to political coordination vis-à-vis third parties. This includes a coordinated approach to tackling overcapacity in the steel sector (para. 3), which builds on the work of the Global Forum on Steel Excess Capacity (GFSEC), established in 2016. According to a ministerial statement from October 2025, GFSEC members intend to present a framework agreement by June 2026 for joint action. The US has been pursuing its own course in this regard for some time. The EU has only recently adopted a new regulation on dealing with overcapacity.

Furthermore, both intend to coordinate their measures on technology security requirements to

prevent technology outflows (para. 5), as well as against the use of export restrictions on raw materials and other resources (para. 14). The same applies to closer cooperation in the fight against forced labour (para. 16) and in the area of economic security concerning non-market-based policies, inbound/outbound investment and export controls, including the fight against customs circumvention (para. 19). Finally, cooperation in the field of digital trade is highlighted, including joint support for the WTO moratorium on tariffs on digital transmissions, which the US proposes should be maintained permanently.

Implementation of the Turnberry Deal: The two proposals for general and specific tariff reductions

The Turnberry Deal constitutes a legally non-binding political agreement that is not subject to the Art. 218 TFEU procedure. Implementing acts fall, in part, within the EU's Common Commercial Policy (CCP), but not entirely. So far, the EU Commission submitted two proposals for regulations, relating to the most tangible aspect of the agreement – the tariff commitments.

The first proposal for a regulation is intended to implement the removal of tariffs on imports of industrial goods from the US and also opening up quotas for the duty-free import of certain seafood and agricultural goods (general tariff regime, GTR). The second proposal for a regulation extends the tariff exemption for lobsters, which was already agreed in 2020, as well as to further subcategories (specific tariff regime, STR). Both proposed regulations include the possibility of a suspension (Art. 3 GTR and Art. 2 STR).

The Council's position of 21 November 2025 emphasises the need for a safeguard mechanism for the GTR and also proposes monitoring and a review of the Regulation by the end of 2028. Furthermore, the reference to non-preferential rules of origin is expanded. Regarding the STR, however, the Council has refrained from proposing any adjustments.

The European Parliament's decision-making process was partly overshadowed by political events: US tariff threats in the dispute over Greenland in January 2026 led to a suspension of the voting procedure. In February 2026, the US Supreme Court ruled that the "Liberation Day" tariffs imposed in April 2025 had been unlawful due to a lack of a valid legal basis. The Trump administration responded with a new 10% tariff based on Sec. 122 and new investigations under Sec. 301 of the Trade Act 1974, focusing on allegations of structural overcapacity. Here too, the European Parliament reacted by initially putting the legislative process on hold. After positive voting within the Committee on International Trade (INTA), MEPs adopted the Parliament's position to the proposed GTR and STR on 26 March 2026, which led to the opening of trilogue negotiations.

The Parliament's proposal embeds the US and EU relationship more firmly within the broader political context through the inclusion of additional recitals. This reflects the values-based nature of the CCP, from which the Parliament further derives the possibility or necessity of a suspension in cases of human rights violations or breaches of fundamental principles, such as territorial integrity and sovereignty, or in the event of any other impairment of the EU's essential security interests. Clearly, the Parliament wishes to send a strong message that the US's foreign policy actions will have a direct impact on the implementation of tariff commitments. The proposal also explicitly mentions the possible application of the anti-coercion instrument.

Parliament's proposal also takes account of US tariff policy following the conclusion of the Turnberry Deal and makes the entry into force of the GTR conditional upon the US complying with their own tariff commitments and lifting the additional burdens imposed on the EU. Additionally, it includes the possibility for reciprocal reduction of steel and aluminium tariffs, whereas the Turnberry Deal merely provides for future coordination. Most recently, the US introduced tariff concessions in this area, which, however, do not yet meet the Parliament's expectations.

A further deviation from the other proposals is that Parliament provides for a mandatory expiry of both regulations. An extension may only take place based on a new legislative act, for which the Commission is to draw up a proposal within a comprehensive final report on impacts and trade policy developments.

EU Trade Commissioner Šefčovič did not appear enthusiastic about these additional requests, but emphasised his interest in implementing the measures as smoothly and swiftly as possible. This may also be linked to the fact that the US has recently shown impatience, raising fears on both sides of a return to an escalating tariff conflict.

What to expect from the trilogue negotiations

As a basis for the trilogue negotiations, it can be noted that both the Council and the Parliament are, in principle, interested in reaching a practical and effective agreement with the US. There also appears to be agreement that both implementing measures must not be designed in an unconditional and inflexible manner but instead provide for effective means of a rapid response. Apart from that, questions of substantive and more rhetorical nature arise.

In terms of substance, for instance, it is questionable whether further tariff concessions in the steel and aluminium sectors should be incorporated into the GTR, especially given the EU's current redesign of its import regime for steel through the introduction of the new overcapacity regulation. This regulation will – apart from few exceptions – apply to all of the EU's trading partners in future. It provides for the possibility of bilateral agreements. Reciprocal tariff reductions could and should be coordinated with the outcome of the GFSEC discussions.

The Parliament is rightly insisting on compliance with the tariff concessions already agreed. Whilst the Commission's proposal relies on direct applicability and a response to changed circumstances through the suspension mechanism, the Parliament makes the entry into force conditional upon the fulfilment of all US concessions. Given that the US has already begun implementation, there is a strong case for the EU to start delivering on its concessions as well. If an effective suspension mechanism is introduced, the EU should in any case be able to react swiftly to a failure by the US to fulfil its commitments.

All sides agree on the need for continuous monitoring, which is not only helpful for adjusting quotas but also regarding the question of extending the tariff exemptions themselves. Given the perceived one-sidedness of the concessions and the political sensitivity of the issue, it seems understandable that the Parliament wishes to have a say in the continuation of the tariff exemptions through a new legislative procedure.

Finally, the question arises as to what extent the political weighting of the tariff arrangements is helpful in relations with the US. The suspension clause proposed by the Commission is already broad enough to implement all the grounds for suspension formulated by the Parliament. An explicit inclusion naturally makes the willingness to terminate the agreement clear. It also corresponds to the embedding of the CCP within Union's general foreign policy objectives as laid down in the Treaties.

Outlook

The Turnberry Deal requires the EU to perform a difficult balancing act. On the one hand, the desire for stable relations with the US is understandable. Even if the US tariff measures are arbitrary and in breach of WTO rules, realistically they can only be mitigated through negotiation. On the other hand, credibility is suffering in the eyes of other third countries, and within the EU, where many cannot understand the one-sided nature of the commitments. Moreover, political developments since the summer of 2025 give rise to serious doubts about the reliability of the US as a trading partner. Against this backdrop, the Turnberry Deal could turn out to be a trap if the EU makes ever greater concessions based on unrealistic hopes, thereby placing itself in a position of increasing dependence on the US. The efforts made by the Commission and others are understandable, given the economic and political importance of transatlantic relations. However, the EU must recognise the limitations of this approach and must not lose sight of its own strategic autonomy.

Overall, a learning process is evident. Since the Greenland conflict at the latest, the EU has recognised its own potential to exert pressure and the need to consider flexible options for adaptation in its relationship with the US. These insights should inform further

EU implementation measures, some of which raise the question of the extent to which they are compatible with the objective of economic security. Simultaneosly, it is right to identify areas for cooperation, such as global overcapacity in the steel sector as well as a "strategic partnership on critical minerals". The US has changed, and so too must the EU change its approach. International cooperation must remain the ultimate goal, but not at any cost.

ABOUT THE AUTHOR

Philipp Reinhold

Dr. Philipp Reinhold is a Senior Research Assistant (Akademischer Rat a.Z.) at the Europa-Institut of Saarland University.

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