

US Tariffs Put Increasing Strain on German Industry

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The German economy is feeling the pressure as ongoing tariff hikes from the United States begin to hit core industrial sectors, with export losses already mounting and more disruption expected in the weeks ahead.

According to the German Chamber of Industry and Commerce (DIHK), tightened trade measures from Washington are already taking a toll. Volker Treier, the DIHK's head of foreign

trade, stated in an interview with Deutsche Presse-Agentur (dpa) that recent declines in exports to the United States are “a clear warning signal.” He added that if current policies persist, Germany could face up to €1 billion in monthly export losses.

The concern stems from a series of escalating tariffs on European Union (EU) goods imposed by the United States government since March. A sector-specific tariff of 25% on steel and aluminum products was introduced on March 12, rising sharply to 50% by June 4. A general 10% tariff on EU imports has been in effect since April 9, with additional 25% duties targeting vehicles since April 3 and car components from May 3.

Particularly affected are sectors that either directly use or rely on steel and aluminum, such as the automotive industry, mechanical engineering, furniture manufacturing, tool production, and fitness equipment. Treier emphasized that these duties are disrupting intricate supply chains and diminishing the competitiveness of German products in the U.S. market.

The situation could worsen if plans from U.S. President Donald Trump to impose 30% tariffs beginning August 1 move forward. “If tariffs of 30% are permanently imposed on German industrial products, competitiveness in the U.S. market will be almost impossible to maintain,” Treier warned.

Efforts by the European Union to ease tensions and avoid further escalation in this growing trade dispute are ongoing, though the economic damage is already becoming apparent. For an export-driven economy like Germany’s, the outlook remains deeply uncertain unless stability is restored in transatlantic trade relations.