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## US and EU Finalize Major Trade Agreement

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President Donald Trump on Sunday announced a landmark trade agreement between the United States (U.S.) and the European Union (EU), marking the end of a prolonged economic standoff between the two global powerhouses. The deal, finalized after intense negotiations in Scotland between Trump and European Commission President Ursula von der Leyen, introduces a 15 percent tariff on EU goods entering the U.S. while securing significant EU purchases of American energy and military equipment, as reported by the *BBC*.

The agreement targets key EU exports, including automobiles, computer chips, and pharmaceuticals, imposing the new tariff in place of the 30 percent import tax Trump had previously threatened. In return, the EU's 27 member states will grant zero percent tariffs on select US exports, a move aimed at rebalancing trade dynamics. Trump, who has long criticized the EU, claiming it was “formed to screw the United States” on trade, has prioritized slashing the U.S. trade deficit, which hit \$235 billion with the EU in 2024, according to U.S. Census Bureau data.

In a statement to Mint, von der Leyen highlighted that both sides agreed to zero tariffs on “strategic” goods, including aircraft, aircraft parts, certain chemicals, semiconductor equipment, agricultural products, and critical raw materials. She emphasized ongoing efforts to expand this list, signaling a commitment to deepen trade ties. The EU also pledged to buy US natural gas, oil, and nuclear fuel to reduce reliance on Russian energy, alongside a \$600 billion investment in the US, per the same Mint report.

This deal follows Trump's broader push to renegotiate trade terms with major partners, including the U.K., Japan, and the Philippines. However, his ambitious goal of securing “90 deals in 90 days” remains unmet. The agreement with the EU stands as a significant step, though, in reshaping global trade to favor American interests while addressing strategic priorities like energy security.

While the deal has been hailed as a breakthrough, it reflects a hard-nosed approach to trade policy, prioritizing American economic leverage. Both sides appear poised to build on this agreement, but challenges remain as global markets adjust to the new tariff structure and shifting supply chains.