# Sir Keir Starmer under fire over EU 'reset' deal amid Trump's looming 50% tariffs threat



Sir Keir Starmer faces mounting pressure as he navigates the complex terrain of Brexit negotiations against a backdrop of escalating trade tensions initiated by Donald Trump. The U.S. President has recently threatened to impose a staggering 50 per cent tariff on all goods exported from the European Union, a move that could reverberate through the UK economy. This ultimatum was issued amid renewed trade discussions between Washington and Brussels, with Trump warning that he could implement these tariffs as soon as next month.

Starmer's unveiling of a proposed EU-UK 'reset' deal this week has sparked controversy, with critics expressing concerns that this could signify a retreat from the principles of Brexit. The Labour leader's plan is perceived by some as a potential precursor to reintegrating Britain into the EU's customs union or single market. Such a shift could subject the UK to the same punitive tariffs imposed on EU exports, thereby compounding the financial implications. Under this arrangement, Starmer has agreed to align UK food standards with EU regulations—the Sanitary and Phytosanitary Agreement (SPS)—and made concessions regarding fishing rights, with EU trawlers gaining access to British waters for another 12 years. Additionally, the deal includes a youth mobility scheme that may grant residency rights to tens of thousands of Europeans in the UK.

Critics like former Conservative leader Sir Iain Duncan Smith have labelled this agreement a "surrender pact," suggesting that it jeopardises the UK's bargaining position and sovereignty in international trade discussions. The levies threatened by Trump may serve as a stark warning that closer ties with the EU could lead to economic repercussions. Market reactions have already shown signs of volatility, with the FTSE 100 falling by 0.24 per cent and major European indices dipping more significantly; Germany’s Dax decreased by 1.5 per cent while France’s Cac 40 slipped 1.7 per cent. Analysts are suggesting that Trump's aggressive trade rhetoric has undermined previous optimism surrounding negotiations and trade relations.

The stakes are high, as EU exports to the U.S. were valued at approximately €500 billion in the last year, with Germany alone contributing around €161 billion. Key sectors, including automotive, aerospace, pharmaceuticals, and food and drink, could be dramatically affected by these tariffs. Should Trump follow through on his threats, the automotive industry—a weak link already feeling the pressure from existing tariffs—could see further complications, potentially destabilising major manufacturers such as Audi and Porsche. The economic ramifications are dire; experts warn that such tariffs could shrink the EU’s GDP by 0.5 per cent and necessitate urgent diplomatic negotiations to stave off a full-blown trade war.

In this turbulent climate, some senior UK and EU diplomats are urging Starmer to adopt a more aggressive stance against the trade threats from Trump. While his administration attempts to dissuade Trump from implementing tariffs on key UK industries—particularly cars, steel, and aluminium—the overarching sentiment remains one of caution. Starmer appears to be taking a tactical approach, weighing his response in light of the initial impact of any tariffs imposed.

Foreign Secretary David Lammy has also voiced concerns, advocating for a proactive engagement with international leaders to adapt to the evolving global economic landscape. As trade negotiations continue, there is a palpable sense of urgency to reset the UK’s relationship with the EU, creating a more favourable environment that could mitigate the risks posed by these staggering tariff threats.

As both leaders navigate these precarious waters, the pursuit of stable and constructive trade relations remains more crucial than ever for Britain’s economic future.

## Reference Map:

* Paragraph 1 – [[1]](https://www.dailymail.co.uk/news/article-14744791/Sir-Keir-warned-not-cosy-EU-President-Trump-threatens-Brussels-50-cent-tariffs.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[2]](https://www.reuters.com/business/apple-pay-25-tariff-if-phones-not-made-us-trump-says-2025-05-23/)
* Paragraph 2 – [[1]](https://www.dailymail.co.uk/news/article-14744791/Sir-Keir-warned-not-cosy-EU-President-Trump-threatens-Brussels-50-cent-tariffs.html?ns_mchannel=rss&ns_campaign=1490&ito=1490), [[3]](https://www.ft.com/content/30ae7dfb-d55b-4aaf-ad62-0826d833460a), [[4]](https://www.theguardian.com/us-news/2025/mar/29/keir-starmer-urged-to-get-tough-with-trump-as-us-tariff-threat-looms)
* Paragraph 3 – [[2]](https://www.reuters.com/business/apple-pay-25-tariff-if-phones-not-made-us-trump-says-2025-05-23/), [[5]](https://www.independent.co.uk/news/uk/politics/brexit-eu-uk-trade-trump-tariffs-b2643805.html), [[6]](https://www.cityam.com/donald-trump-threatens-high-eu-car-tariffs-if-deal-is-not-reached/)
* Paragraph 4 – [[3]](https://www.ft.com/content/30ae7dfb-d55b-4aaf-ad62-0826d833460a), [[4]](https://www.theguardian.com/us-news/2025/mar/29/keir-starmer-urged-to-get-tough-with-trump-as-us-tariff-threat-looms)
* Paragraph 5 – [[5]](https://www.independent.co.uk/news/uk/politics/brexit-eu-uk-trade-trump-tariffs-b2643805.html), [[7]](https://www.the-express.com/news/politics/162390/donald-trump-european-union-tariffs-trade-war)

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## Bibliography

1. <https://www.dailymail.co.uk/news/article-14744791/Sir-Keir-warned-not-cosy-EU-President-Trump-threatens-Brussels-50-cent-tariffs.html?ns_mchannel=rss&ns_campaign=1490&ito=1490> - Please view link - unable to able to access data
2. <https://www.reuters.com/business/apple-pay-25-tariff-if-phones-not-made-us-trump-says-2025-05-23/> - On May 23, 2025, U.S. President Donald Trump threatened to impose a 50% tariff on European Union (EU) goods starting June 1 and a 25% tariff on iPhones sold in the U.S., reigniting global trade tensions. The twin threats, communicated via social media, shook global markets, causing U.S. and European stock indexes to drop, the dollar to weaken, and gold prices to rise. These measures are part of Trump's continued pressure on trade partners and companies to shift manufacturing to the United States. The White House expressed dissatisfaction with the sluggish pace of negotiations with the EU. Trump claimed the tariffs would not apply if European firms moved production to the U.S., and later stated the proposed phone levies would also impact Samsung and other smartphone makers. EU officials responded by emphasizing the need for mutual respect in trade talks. Analysts and business leaders, including Volvo's CEO, warned that such tariffs could result in higher prices for consumers and disruptions to trade. Apple, under pressure to relocate production, is already shifting manufacturing to India but faces challenges in moving iPhone production to the U.S. Despite a significant investment plan, analysts doubt Apple can comply with Trump’s demand within the next few years.
3. <https://www.ft.com/content/30ae7dfb-d55b-4aaf-ad62-0826d833460a> - Donald Trump's threat to impose a 50% tariff on all EU exports could significantly impact key European sectors, including autos, aerospace, pharmaceuticals, chemicals, and food and drink. The US, being the EU's largest single trade partner with over €530bn in goods exports in 2024, places EU countries like Germany, Ireland, Italy, and France at particular risk. Especially vulnerable sectors include machinery and vehicles (€200bn), chemicals (€160bn), and food and drink (€25bn). Pharmaceutical exports, led by companies like Sanofi and Novo Nordisk, provided €80bn to the US market in 2024 and could face disruption if included in future tariffs. In the aerospace sector, companies like Boeing and Airbus fear rising costs and complications in production. The automotive industry, facing existing 25% US tariffs, may find exports financially unviable under a 50% regime. This would critically affect manufacturers like Audi, Porsche, and Volvo. Additionally, food and drink exports, though smaller, hold significant political weight, with products like French champagne and Italian cheese particularly at risk. Experts warn the economic impact could knock 0.5% off the EU’s GDP and call for urgent diplomatic negotiations to avoid a trade war.
4. <https://www.theguardian.com/us-news/2025/mar/29/keir-starmer-urged-to-get-tough-with-trump-as-us-tariff-threat-looms> - British Prime Minister Keir Starmer has been urged to adopt a robust stance against U.S. President Donald Trump's tariff threats, with senior UK and EU diplomats expressing concerns over potential global trade war implications. The UK government is actively working to persuade Trump to refrain from imposing duties on key UK industries, with a particular focus on the threat of 25% tariffs on imports of cars, steel, and aluminium. The Office for Budget Responsibility (OBR) has warned that a 20% increase in tariffs between the US and the rest of the world could reduce UK growth by 1% and eliminate the £9.9bn fiscal headroom restored by Chancellor Rachel Reeves. Starmer appears to be waiting to assess the level of any tariffs imposed on the UK before deciding on a response, indicating a pragmatic approach aimed at negotiating a wider UK-US trade deal.
5. <https://www.independent.co.uk/news/uk/politics/brexit-eu-uk-trade-trump-tariffs-b2643805.html> - Keir Starmer has been advised to prioritize resetting Britain’s relationship with the EU and removing trade barriers established post-Brexit to mitigate the impact of tariffs threatened by Donald Trump. With Trump re-elected and planning to impose protectionist tariffs to safeguard US industries, there are concerns that such policies could hinder the UK's economic growth and potentially lead to a shrinking economy. Foreign Secretary David Lammy has also cautioned against US trade tariffs, emphasizing the need for the UK to adapt to a changing global economic landscape and engage proactively with international leaders.
6. <https://www.cityam.com/donald-trump-threatens-high-eu-car-tariffs-if-deal-is-not-reached/> - US President Donald Trump has threatened to impose 'very high' tariffs on car imports from the European Union unless a trade deal is reached, accusing the bloc of being 'tougher than China' to deal with. In a press conference at the World Economic Forum in Davos, Switzerland, Trump criticized the EU for its trade barriers and tariffs, stating, 'They haven't treated us right... they have trade barriers where you can't trade, they have tariffs all over the place.' He further indicated that tariffs could be as high as 25% if the EU does not agree to a trade deal.
7. <https://www.the-express.com/news/politics/162390/donald-trump-european-union-tariffs-trade-war> - The European Union has warned of a firm response if President Donald Trump imposes tariffs on its goods. A European Commission spokesperson stated that the EU would 'respond firmly' to any trading partner that 'unfairly or arbitrarily' imposes tariffs on EU products. They emphasized that tariffs create 'unnecessary economic disruption' and fuel inflation by increasing prices for businesses and consumers. This warning follows Trump's announcement of potential tariffs on EU goods, accusing the bloc of treating the United States 'so terribly.'