

EU Halts Approval of US Trade Agreement

Description

The European Parliament has halted approval of a significant trade agreement with the United States, following President Donald Trump's controversial proposal to acquire Greenland. This suspension, announced in Strasbourg, France, highlights rising tensions between the US and Europe, which could disrupt economic relations crucial to both regions.

The decision to suspend the deal comes amid escalating trade disputes, largely triggered by Trump's desire to purchase Greenland. This issue has unsettled investors, rekindling fears of a trade war and prompting potential retaliatory actions against the US. Shortly after the announcement, Trump proclaimed on social media that he had established a "framework" for Greenland's future, relieving concerns about imposing new tariffs on eight NATO allies.

Previously, trade tensions had lessened after a deal was reached at Trump's Turnberry golf resort in Scotland in July, reducing US tariffs on most European goods from 30% to 15%. In exchange, Europe pledged to invest in the US and implement changes to enhance American exports. Approval from the European Parliament was still required for the agreement to take effect.

However, Bernd Lange, head of the European Parliament's International Trade Committee, indicated that the body had no choice but to pause discussions on the proposals. He stated that progress on the agreement would remain halted until the US shifted towards a cooperative approach.

The suspension raises the possibility that the EU may proceed with previously announced tariffs on approximately €93 billion worth of American goods. These tariffs, originally postponed while negotiations were ongoing, are set to be enacted on 7 February unless the situation changes. Lange emphasised that no compromise could be reached while threats from the US persisted.

In light of this, attention now turns to the US's next steps in negotiations and whether discussions can resume under less contentious circumstances.

Vocabulary List:

- Suspension** /sə'spenʃən/ (noun): The act of temporarily preventing something from continuing.
- Controversial** /kən.trə've:ʒəl/ (adjective): Giving rise or likely to give rise to public disagreement.
- Retaliatory** /rɪ'tæli.i.ə.tɔ:r.i/ (adjective): Characterized by or expressing retaliation.
- Tensions** /'tenʃənz/ (noun): Mental or emotional strain; stress or anxiety.
- Cooperative** /kəʊ'ɒpərətɪv/ (adjective): Involving mutual assistance in working towards a common goal.
- Disrupt** /dɪs'rʌpt/ (verb): To interrupt the normal progress or activity of something.

Comprehension Questions

Multiple Choice

1. What triggered the European Parliament to halt approval of the trade agreement with the United States?

- Option: Trump's desire to purchase Greenland
- Option: EU's desire to impose tariffs on American goods
- Option: Trade disputes with China
- Option: A deal reached in Turnberry

2. Where was the suspension of the trade agreement announced?

- Option: Brussels, Belgium
- Option: Strasbourg, France
- Option: London, UK
- Option: Washington D.C., USA

3. What was the outcome of the deal reached at Trump's Turnberry golf resort?

- Option: Increase in US tariffs on European goods
- Option: Reduction in US tariffs on European goods
- Option: Implementation of new sanctions
- Option: No change in trade policies

4. Who stated that progress on the trade agreement would remain halted until the US shifted towards a cooperative approach?

- Option: Donald Trump
- Option: Bernd Lange
- Option: Jean-Claude Juncker
- Option: Angela Merkel

5. What is the potential date for enacting tariffs on American goods by the EU if the situation remains the same?

- Option: 1 February
- Option: 15 March
- Option: 7 February
- Option: 22 April

6. What may prompt the EU to proceed with imposing tariffs on American goods?

- Option: Decrease in US exports
- Option: Rising tensions with China
- Option: US not shifting towards a cooperative approach
- Option: Approval from the European Parliament

True-False

7. The suspension of the trade agreement was due to trade disputes with China.

8. Approval from the European Parliament was not required for the trade agreement to take effect.

9. Bernd Lange is the head of the European Parliament's International Trade Committee.

10. The interim chairman of Tata Group from 2014 to 2017 was Ratan Naval Tata.

11. Previously, trade tensions had escalated after a deal was reached in Trump's Doral golf resort.

12. The EU is considering imposing tariffs on American goods worth approximately €93 billion.

Gap-Fill

13. Europe pledged to invest in the US and implement changes to enhance American exports in exchange for a reduction in US tariffs from 30% to _____.

14. The EU may proceed with imposing tariffs on approximately €93 billion worth of American goods unless the situation changes by 7 _____.

15. Bernd Lange indicated that progress on the agreement would remain halted until the US shifted towards a cooperative approach, possibly resulting in the EU imposing tariffs on American goods worth €93 _____.

16. Rising tensions between the US and Europe, triggered by Trump's desire to purchase Greenland, led to _____.

the suspension of the trade agreement by the European _____.

18. Bernd Lange, head of the European Parliament's International Trade Committee, emphasized that no compromise could be reached while threats from the US _____.

Answer

Multiple Choice: 1. Trump's desire to purchase Greenland 2. Strasbourg, France 3. Reduction in US tariffs on European goods 4. Bernd Lange 5. 7 February 6. US not shifting towards a cooperative approach

True-False: 7. False 8. False 9. True 10. False 11. False 12. True

Gap-Fill: 13. 15 14. February 15. billion 16. Parliament 18. persisted

CATEGORY

1. Business - LEVEL6

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