

EU torn on response to Trump tariffs

The EU has a range of options already in place for enacting tough countermeasures in the wake of President Donald Trump's sweeping tariffs, which could include trade, investment or funding restrictions

BILATERAL TRADE		GOODS		2023
To U.S. €503bn	EU surplus	€157bn	€347bn	From U.S.
SERVICES				
€319bn	EU deficit	€109bn	€427bn	
FOREIGN DIRECT INVESTMENT				
€2.66 trillion			€2.64 trillion	

POTENTIAL MEASURES

1 Reciprocal goods tariffs

Meat, cereals, wine, wood and clothing – and bourbon, opposed by French and Italian vineyards after Trump threatens 200% tariff on wine

2 Digital Services Tax

Require Big Tech – Apple, Microsoft, Amazon, Google, Meta – to pay tax on profits in country of consumer

3 International Procurement Instrument

Bar U.S. companies' access to public contracts – worth \$2.8 trillion each year

4 EU "TRADE BAZOOKA" Anti-Coercion Instrument (ACI)

Allows retaliatory measures when country attempts to coerce EU or member states
Could block foreign investment, restrict market access for financial services – hitting Wall St – or revoke IP protection
Requires agreement by majority of 27 member states

French President Macron has suggested suspending investments in U.S.



EU SUPPORT FOR USING ACI

