

EU mulls using “trade bazooka” against U.S.

Calls are growing for the EU to deploy its ultimate Anti-Coercion Instrument (ACI) – dubbed the “trade bazooka” – in response to President Trump’s threats to impose tariffs over Greenland



■ President Trump threatens 10% tariff on goods imported from eight European countries that oppose his plan to take over Greenland

WHAT IS ACI?

■ Adopted in 2023 as deterrent to protect EU member states from economic coercion by third countries

WHAT ACI ALLOWS

■ Limiting access to public tenders, restricting trade in services – such as tech platforms –, imposing export controls, or suspending intellectual property protections

ACI IMPLEMENTATION TIMELINE

- Economic coercion raised by member state or EU institution
- European Commission examines coercion – up to 4 months
- Member states have another eight to 10 weeks to endorse – or not – decision. Countries need to agree by qualified majority vote, which means support of 55% of EU states
- Response measures adopted within 6 months of determination

Firing the trade bazooka has never been done before, so no one knows how effective it might be

U.S. IMPORTS FROM NATIONS TARGETED (\$bn, 2024)

Germany
\$160bn

UK
\$68bn

France
\$60bn

34

18

Netherlands
Sweden
Denmark

10

8

7

Norway
Finland

Combined value
\$365bn

– equivalent to
half of EU exports
to U.S.