The Telegraph

# EU prepares counter-tariffs on €72bn of US imports

Chris Price
Mon, July 14, 2025 at 7:53 PM GMT+2 • 40 min read

Donald Trump attended the Fifa Club World Cup final at MetLife Stadium on Sunday - Alex Grimm/Getty Images

The European Union is readying a €72bn (£62.4bn) package of retaliatory tariffs against the US, even as it steps up efforts to avert a transatlantic trade war with President Donald Trump.

EU trade commissioner Maros Sefcovic was heading into urgent phone talks with top White House officials on Monday night, after warning that if Mr Trump went ahead with a proposed 30pc tariff then "trading as we know it will not continue".

French and German government long-term bond yields climbed towards highs seldom seen since the eurozone crisis of 2009-11, as traders fretted over the potential trade war and rising public debt.

After trade ministers convened in Brussels on Monday, Mr Sefcovic told reporters he thought Brussels and Washington had been “very close” to landing a deal at the weekend. But then Mr Trump issued a letter threatening a 30pc tariff on the 27-country bloc.

The EU now has a freshly compiled list of €72bn worth of American imports to target with retaliatory tariffs, sitting alongside an already announced €21.5bn salvo in response to Mr Trump’s earlier steel and auto levies.

But Brussels is holding back from deploying these countermeasures. Mr Sefcovic said he hoped to keep negotiating in good faith with the White House until Mr Trump’s latest deadline of August 1st “and beyond”.

The Brussels trade tsar told reporters that “the EU never walks away without genuine effort” to make a deal, but “it takes two hands to clap”.

Mr Sefcovic said the main sticking point was over the sectoral tariffs that Mr Trump has levied or flagged in areas such as cars, pharmaceuticals, steel and aluminium.

Danish foreign minister Lars Lokke Rasmussen told reporters that a “question mark” was hanging over the 13pc of the EU’s trade that was with the US. The trade ministers’ meeting had thus focused on “the 87pc of trade with the rest of the world”.

After the EU on Sunday announced progress on a trade pact with Indonesia, Mr Sefcovic said Brussels was “doubling down” on efforts to strike deals with India, Thailand, Malaysia, the Philippines and the UAE.

Tuscan wine producers said they were eager to start shipping more bottles into countries such as Brazil and India as they brace for a hit to demand in the US, which buys about €2bn of Italian wine a year.

“I believe Americans will keep drinking Chianti, even if they have to pay a little more than they do now,” said Giovanni Busi, president of industry group the Chianti Wine Consortium.

But “there’s no doubt that it would be wise to strengthen and expand them toward other countries, starting with those in Africa and Southeast Asia”.
Germany, though, is worried that its totemic car industry will not be able to find other markets for its exports.

Chancellor Friedrich Merz has been pushing hard for a deal, while other leaders have suggested that Brussels should play hardball.

French trade minister Laurent Saint-Martin said there should be “no taboos” on retaliation.

The consultancy Oxford Economics estimated on Monday that a 30pc tariff could cut 0.3 percentage points off economic growth in the eurozone this year and next, pushing the bloc “to the edge of recession”.

Unlike bond traders, stockmarket investors on Monday largely shrugged off the trade ructions. Goldman Sachs strategist Sharon Bell said equity markets had been mispricing the risk of Mr Trump’s trade war.

“There’s a little bit of an element of the market being perhaps a little bit too complacent in the very near term on the risks around all of this,” she told Bloomberg Television.

Many observers still expect Mr Trump to either strike a deal with Brussels, or walk back the worst of the tariffs.

“The announcement of higher tariffs is a negotiation tactic which should encourage the EU and other countries to make a deal quickly, said Jefferies chief Europe economist Mohit Kumar, who reckons Mr Trump will eventually fix EU tariffs at between 10pc and 15pc.

“However, the recent tariff announcements over last week also highlight the uncertainty around tariffs and that uncertainty has probably moved up a notch.”

---

**06:53 PM BST**

### Signing off…

Thanks for joining us on this blog.

That’s all for today but do join us here for all the the latest in economics and business.

---

**06:49 PM BST**

### EU steps up talks with ‘like-minded’ trading partners as it attempts to strike deal with Trump

The EU is consulting with other “like-minded” trading partners on the fallout of Donald Trump’s trade war, the bloc’s trade commissioner has said.

Maroš Šefčovič said: “If you’re talking about 30pc [tariffs on EU exports] or 30pc-plus, there will be a huge impact on trade. It will be almost impossible to continue trading as we are used to in a transatlantic relationship.”