

# Trump demands more concessions as EU holds off on US tariff countermeasures

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The European Union said on Sunday it would extend its suspension of countermeasures to U.S. tariffs until early August and continue to press for a negotiated settlement as U.S. President Donald Trump's administration demanded more concessions from trading partners.

Trump said on Saturday he would impose a 30% tariff on most imports from the EU and Mexico from August 1, adding to similar warnings for other countries and leaving them less than three weeks to hammer out framework deals that could lower the threatened tariff rate.

White House Economic Adviser Kevin Hassett said on Sunday that countries' trade deal offers so far have not satisfied Trump and "the tariffs are real" without improvements.



*European Commission President Ursula von der Leyen looks on during a joint news conference with Canadian Prime Minister Mark Carney and European Council President Antonio Costa, during an EU-Canada summit in Brussels, Belgium June 23, 2025. REUTERS/Gonzalo Fuentes*

"The president thinks that deals need to be better," Hasset told ABC's This Week program. "And to basically put a line in the sand, he sent these letters out to folks, and we'll see how it works out."

Ursula von der Leyen, head of the EU's executive Commission which handles trade policy for the 27 member states, said the bloc would maintain its two-track approach: keep talking and prepare retaliatory measures.

"We have always been very clear that we prefer a negotiated solution. This remains the case, and we will use the time that we have now," von der Leyen told a press conference, adding that the bloc would extend its halt on countermeasures until August.

Von der Leyen's decision to resist immediate retaliatory measures points to the European Commission's desire to avoid a spiralling tit-for-tat escalation in the trade war while there remains a chance of negotiating an improved outcome.

German Chancellor Friedrich Merz on Sunday said he was "really committed" to finding a trade solution with the U.S., telling German public broadcaster ARD that he will work intensively on this with von der Leyen and French President Emmanuel Macron over the next two and a half weeks.

Asked about the impact of a 30% U.S. tariff on Germany, Merz said: "If that were to happen, we would have to postpone large parts of our economic policy efforts because it would interfere with everything and hit the German export industry to the core."

## TEST OF UNITY

The latest salvo from Trump and the question of how to respond may test the unity of member states, with France appearing to take a tougher line than Germany, the bloc's industrial powerhouse whose economy leans heavily on exports.

Macron said the Commission needed more than ever to "assert the Union's determination to defend European interests resolutely", and that retaliation might need to include so-called anti-coercion instruments.

German Finance Minister Lars Klingbeil said on Sunday the EU should be ready to take firm action if talks failed.

"If a fair negotiated solution does not succeed, then we must take decisive countermeasures to protect jobs and companies in Europe," Finance Minister Lars Klingbeil, also vice chancellor in the ruling coalition, told Sueddeutsche Zeitung newspaper.

While the EU has held back from retaliating against the U.S. in the months since Trump hit the bloc with tariffs, it has readied two packages that could hit a combined 93 billion euros of U.S. goods.

A first package, in response to U.S. levies of 50% on imported steel and aluminium that would hit 21 billion euros in U.S. goods, was suspended in April for 90 days to allow time for negotiations. The suspension had been due to expire on Monday before the extension was announced.

A second package in retaliation against Trump's "reciprocal" tariffs has been in the works since May and was set to target 72 billion euros of U.S. goods. These measures have not been made public and the final list requires approval by member states.

## ANTI-COERCION INSTRUMENT

Von der Leyen said on Sunday that the use of the EU's Anti-Coercion Instrument was not yet on the table.

The instrument allows the bloc to retaliate against third countries that put economic pressure on EU members to change their policies.

"The (anti-coercion) instrument is created for extraordinary situations, we are not there yet," she said.

Possible retaliatory steps could include restricting EU market access to goods and services, and other economic measures related to areas including foreign direct investment, financial markets and export controls.

In a sign of the EU's desire to strike deals with more trading partners at a time of deepening uncertainty in trans-Atlantic relations, von der Leyen said a political agreement had been reached to advance an EU-Indonesia trade deal.

France's cheese producers warned of the damaging consequences of a 30% tariff for the local dairy industry, which exports nearly half its produce, including to the United States.

"It's a new environment we will have to get used to - I don't think this is temporary," Francois Xavier Huard, CEO of dairy association FNIL, told Reuters.