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European Union and United States intensify trade talks as tariff deadline approaches

Wine industry faces uncertainty amid threats of higher US tariffs and concerns over long-term impact on transatlantic trade

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The European Union is intensifying its negotiations with the United States as both sides seek to resolve ongoing trade tensions. On Wednesday, Ursula von der Leyen, president of the European Commission, addressed the European Parliament and confirmed that the EU is preparing for all possible outcomes in its talks with Washington. Von der Leyen emphasized that while the EU will defend its interests firmly, it prefers a negotiated solution and is working closely with the U.S.

administration to reach an agreement.

Von der Leyen’s remarks come at a critical time for the European wine sector, which has been directly affected by U.S. tariffs. Since February, the United States has imposed a 10% tariff on all EU products and additional tariffs of 25% on imports of steel, aluminum, and vehicles. President Donald Trump has threatened to increase these tariffs up to 50%, raising concerns among European exporters, especially in the wine industry, which relies heavily on access to the American market.

During her speech, Von der Leyen noted that these tariffs now impact 70% of total EU trade with the United States, describing them as measures of “unprecedented scale and scope.” The current tariff truce was extended by President Trump from July 9 to August 1, but he has indicated that new tariffs could be announced soon. Trump stated that he may send a letter to the EU within days outlining additional duties and warned that this communication would signal a new phase in trade relations.

The uncertainty surrounding these negotiations has created significant anxiety within Europe’s wine sector. The United States is one of the largest export markets for European wines, particularly from France, Italy, and Spain. Industry representatives warn that higher tariffs could lead to reduced sales, job losses, and long-term damage to established trade relationships. Many producers are already feeling the effects of existing tariffs and fear further escalation.

Von der Leyen highlighted her recent phone conversation with President Trump as a positive step toward advancing discussions. She stressed that the EU is seeking a reliable framework for continued trade cooperation and is working “day and night” to find solutions. She also pointed out that tariffs are harmful to business on both sides of the Atlantic and noted that other global partners share this view.

In response to growing protectionism, the EU has accelerated efforts to diversify its trade partnerships. Von der Leyen mentioned recent agreements with Mercosur, Mexico, and Switzerland, as well as ongoing negotiations with India expected to conclude by year’s end. These moves are seen as part of a broader strategy to reduce dependence on any single market and protect key sectors like wine from future disruptions.

The European wine industry remains hopeful that a negotiated settlement can be reached before new tariffs take effect in August. However, producers are bracing for all scenarios as talks continue. The outcome will have significant implications not only for wine exporters but also for broader transatlantic economic relations at a time when global trade faces increasing uncertainty.