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EU Considers 93 Billion Euro Retaliation as U.S. Tariffs Threaten European Exports

Brussels weighs anti-coercion measures while wine producers brace for further losses amid transatlantic trade tensions and uncertainty

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The European Union is preparing a response to the threat of new tariffs from the United States that could affect European wine exports. The warning comes after President Donald Trump signaled possible trade measures linked to the ongoing dispute over U.S.

interests in Greenland. The European Commission said on Monday that it is ready to act if Washington imposes additional tariffs, but stressed that its first priority is to seek a diplomatic solution.

Olof Gill, spokesperson for the European Commission, stated that the EU aims to avoid escalation and the imposition of tariffs, emphasizing that such measures would ultimately harm consumers and businesses on both sides of the Atlantic. However, he made clear that if tariffs are enacted, the EU has tools at its disposal and will do what is necessary to protect its economic interests.

European leaders are scheduled to meet in Brussels on Thursday, January 22, to discuss a joint response to U.S. attempts to gain influence in Greenland. This extraordinary summit was announced after EU ambassadors began considering possible retaliatory measures against Washington during an emergency meeting held on Sunday, January 18. During this meeting, representatives from the 27 member states discussed potential countermeasures worth up to 93 billion euros—a proposal previously set aside last year in favor of a trade agreement between Brussels and Washington.

The option of retaliation remains on hold until February 6, but EU countries are now reviewing whether to activate it if President Trump moves forward with new tariffs. Several member states, including France, Germany, Spain, and Poland, have called for the use of the anti-coercion instrument introduced in 2023. This mechanism allows the European Commission to impose restrictions on imports and exports with the United States, limit American investments in Europe, restrict intellectual property rights for U.S. companies, or bar them from public tenders.

Despite these preparations, EU officials say their current approach is focused on dialogue and diplomacy. The first opportunity for direct talks with President Trump may come at the World Economic Forum opening today in Davos. However, no meeting between European Commission President Ursula von der Leyen and President Trump is currently scheduled.

The European wine sector has already felt the impact of U.S. tariffs imposed in 2025 under the Trump administration. These measures led to a drop in sales and revenue in one of the most important export markets for European wine producers. According to wineries, exporters, and importers across Spain, France, and Italy—countries with some of the world's most recognized wine regions—the tariffs have affected order volumes and business operations.

The added cost from tariffs is passed along the supply chain—from winery prices through transport and insurance—forcing many companies to renegotiate margins on deals planned months in advance. In 2025, U.S. importers responded by slowing purchases, requesting delays, and adjusting their product selections to reduce risk. Some importers stocked up before tariffs took effect; others shifted to smaller, more frequent orders despite higher logistics costs.

Uncertainty has become a major concern for producers who rely on long-term planning for shipping containers and commercial strategies with restaurants and retailers. When final prices rise due to tariffs, consumers may switch to wines from other countries or domestic options without such penalties.

Small and medium-sized wineries that depend heavily on one or two U.S. importers have been especially vulnerable. Many tried sharing losses with their partners by cutting margins rather than raising shelf prices, but this strategy has limits if tariffs persist. Entry-level wines have been hit hardest: even small price increases can drive buyers toward alternatives.

Restaurants specializing in European wines have raised prices or reduced their selections to avoid deterring customers. Specialty stores have trimmed their offerings as well, focusing on fewer vintages or regions. Importers managing large portfolios now face higher inventory costs and tighter cash flow as products take longer to sell.

The industry's concerns extend beyond existing tariffs to fears of further increases that could push prices beyond what many consumers are willing or able to pay. Wineries warn that higher duties could force them to offload surplus stock at lower prices elsewhere or increase reliance on seasonal sales campaigns—both scenarios that add volatility for grape growers and cooperatives operating under tight contracts.

With long production cycles and decisions that cannot be changed quickly, wine producers now face pressure to make rapid commercial and financial adjustments as they await clarity from ongoing negotiations between Brussels and Washington.