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Is the European Union Deliberately Delaying Trade Negotiations?

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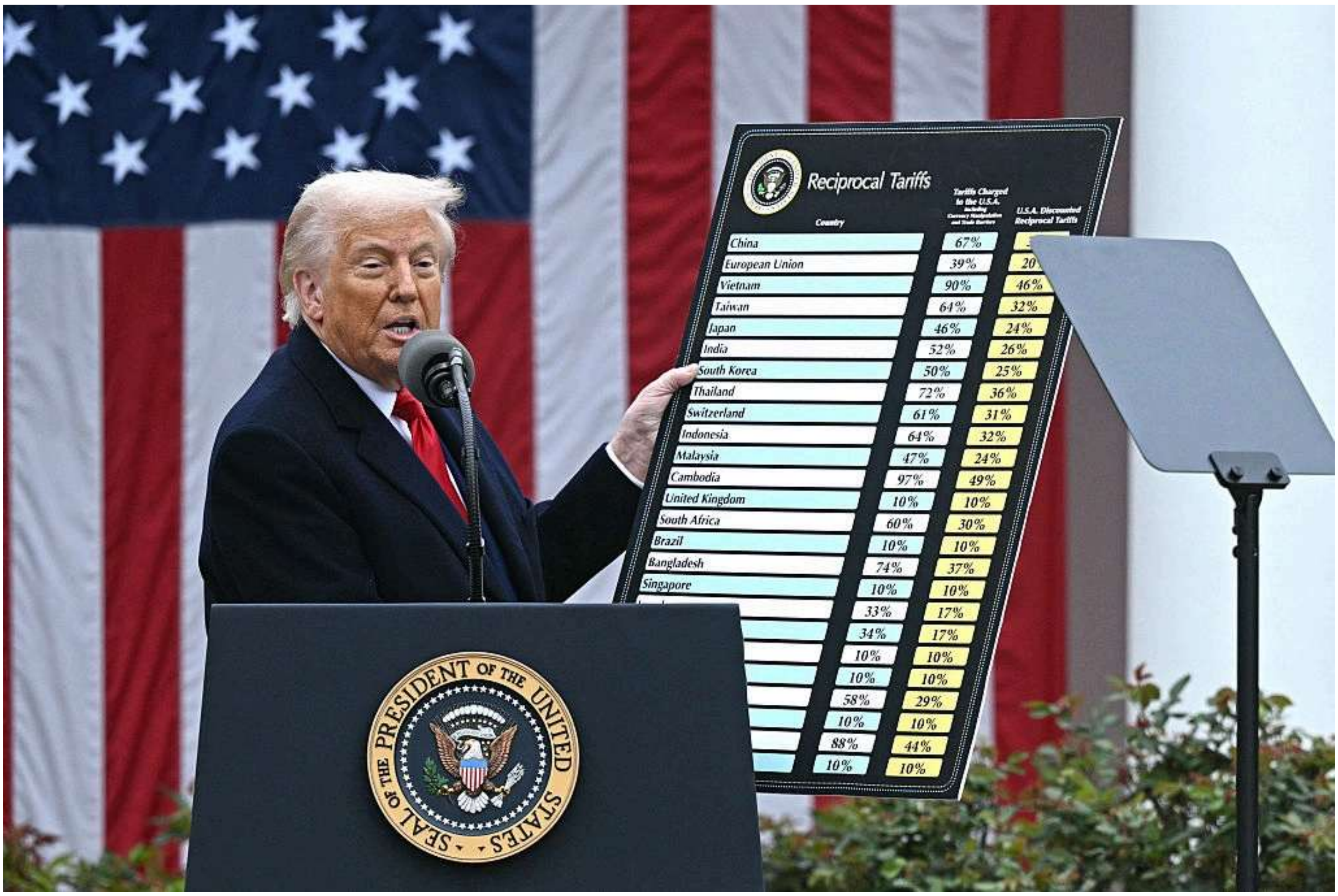

President Donald Trump holds a chart as he delivers remarks on reciprocal tariffs at the White House on April 2, 2025. Brendan Smialowski/AFP via Getty Images

By Daniel Lacalle
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Commentary

The European Union-United States trade deal should have been the easiest to complete. However, it is not happening because the EU's negotiation team refuses to lift any of the bloc's non-tariff barriers or discuss the limitations imposed on U.S. agricultural, livestock, and car exports.

These are the reasons why it should have been a concise and quick trade deal:

Most of the U.S. team's demands coincide with the Draghi report's concerns about excessive regulation and internal barriers. According to Eurochambres estimates, the cost of hyper-regulation for the EU exceeds one trillion euros per year. Mario Draghi himself warned in a Financial Times article, "Forget the US—Europe has successfully put tariffs on itself," citing IMF estimates that show that internal barriers, regulation, and taxation increase prices in the services sector by 110 percent and in manufacturing by 45 percent.

If the EU negotiators had presented a comprehensive package of tariff reductions for agriculture, farming, and the automotive industry, a preliminary deal would have been signed immediately, benefiting everyone. However, the negotiators were only willing to negotiate possible improvements in LNG imports and a vague concept of "strengthening investment," limiting any tariff negotiation to industrial goods where there is no significant dispute.

Washington's requests to the European Union were significantly less demanding than the burdens from China or India. Unfortunately, the EU negotiators were only willing to propose plans to lower tariffs on industrial goods and non-sensitive agri-food exports, as well as a clause to keep the United States from introducing further tariffs while talks are ongoing, according to Bloomberg. The EU stated that tariffs could be reduced in phases or through a quota system, and higher levies would only come above a certain quantity of imports. Upon review, it appears that these proposals aim to uphold all non-tariff barriers and the majority of tariffs. Tariffs are much higher than those of the United States in agriculture, farming, chemicals, automotive, and manufactured goods.

The demands of the United States are not outlandish. Furthermore, the EU allows the exemption of many of the tariff and non-tariff barriers to products coming from Turkey or Morocco, even China.

The European Commission threatened with new countermeasures, which could hit 95 billion euros of U.S. products if negotiations to end the trade dispute fail. However, the EU does not have a lot to threaten with. Its trade surplus is so large, and the barriers to U.S. goods so widespread, that it simply cannot fight back.

The European Union trade surplus, which stands at 150 billion euros and soared 244 percent in March 2025 compared to the same month in

2024, is not generated by free cooperation and spontaneous trade agreements between free companies. In many sectors, the EU's production and energy costs are up to 50 percent and 100 percent higher, respectively, than those of the United States, yet the exports of the European Union massively outweigh those of the U.S. A significant proportion of the trade surplus of the European Union comes from lifting barriers to others and benefiting from open markets for European producers.

The European Union needs to understand that tariffs can be eliminated in minutes if a reasonable agreement is reached. Furthermore, the EU negotiators must admit that they would be complying with Draghi's recommendations and benefiting all businesses, inside and outside Europe, in the process. Thus, a deal can be reached rapidly and effectively.

Regrettably, many analysts believe that the EU negotiators are not interested in removing trade barriers, preferring to maintain them at all costs, even if it results in the economy of many member states being weakened. Negotiators seem more concerned about pleasing bureaucrats and finding a scapegoat in the Trump administration for the EU's stagnation than advancing a deal that benefits American and EU companies.

Views expressed in this article are opinions of the author and do not necessarily reflect the views of The Epoch Times.

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