



# **How Should the European Union Respond Strategically to the 2025 U.S. Tariffs Without Undermining Its Internal Cohesion or Global Credibility?**

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## **Abstract**

In 2025, the United States imposed a sweeping series of tariffs on European Union exports, reigniting transatlantic trade tensions and testing the EU's strategic, economic, and political resilience. This paper examines how the EU can respond effectively to these unilateral measures without compromising internal cohesion or undermining its position as a global advocate for rules-based trade. Through a thematic analysis of five key areas—external economic strategy, internal economic resilience, strategic communication, stakeholder coordination, and the risks of inaction—the paper draws on historical precedents, institutional mechanisms, and policy literature to evaluate the Union's options. It argues for a hybrid approach: combining targeted retaliation with WTO litigation, internal market reform, assertive but values-based public messaging, and robust coordination among member states. The findings highlight that a slow or fragmented response could exacerbate political divisions, economic volatility, and loss of international credibility. Ultimately, the EU's ability to act decisively and cohesively will determine not only the outcome of this trade dispute, but also its long-term strategic autonomy in a shifting global order.

## Introduction

In early 2025, the United States introduced a new wave of tariffs targeting European Union exports, marking a significant escalation in transatlantic trade tensions. These measures—ranging from 10% to 25% on key sectors such as automotive, agriculture, and clean energy—signal a shift toward protectionist policies that directly challenge the EU’s economic and political standing on the global stage. While trade frictions between the U.S. and the EU are not new, the scope, timing, and tone of this latest dispute represent a deeper rupture in the post-war international trading order.

The imposition of tariffs has immediate and long-term implications. In the short term, European exporters face increased costs, disrupted supply chains, and reduced competitiveness. Over time, however, the EU’s institutional credibility, internal cohesion, and role as a defender of multilateral trade norms may also be at risk. The challenge is not merely economic but strategic: how can the EU respond decisively without escalating the conflict, undermining its own internal unity, or compromising its global values?

This paper seeks to address that question by providing a multi-dimensional analysis of the EU’s options and constraints. Drawing from existing literature, historical precedent, and current institutional tools, it evaluates five core themes that shape the EU’s response capacity:

1. External Economic Strategy – assessing whether the EU should retaliate, adapt, or pursue a hybrid approach in response to the U.S. tariffs.
2. Internal Economic Strategy – analyzing how the EU can strengthen its own resilience through subsidies, industrial policy, and intra-European integration.
3. Communication and Public Messaging – exploring the importance of strategic narrative, crisis coordination, and values-based diplomacy.
4. Stakeholder Coordination – considering how divergent national interests across member states influence collective decision-making.

5. Risks of Inaction – examining the consequences of delay or incoherence, from market volatility to political fragmentation.

Each section provides both analysis and a recommended course of action, culminating in a final strategic plan in Part 4. The paper ultimately argues that a coherent, multidimensional response—anchored in legalism, pragmatism, and strategic unity—is essential for the EU to maintain credibility and control its future in an increasingly fragmented global economy.

# **Literature Review**

## **Trade Wars and Tariff Impacts**

Trade wars have historically produced widespread disruptions to global trade, supply chains, and domestic industries. Classic examples include the Smoot-Hawley Tariff Act of 1930, which contributed to the Great Depression by prompting retaliatory tariffs from U.S. trade partners (Irwin, 2011). More recently, the U.S.–China trade war between 2018 and 2020 imposed tariffs on over \$360 billion in goods and caused notable declines in global trade volumes.

Empirical analyses highlight that tariffs frequently result in increased consumer prices, reduced export competitiveness, and heightened input costs for downstream industries. For instance, Amiti et al. (2021) find that U.S. importers bore nearly the full cost of tariffs through higher prices. Similarly, Fajgelbaum et al. (2020) show that retaliatory tariffs imposed by China and other partners disproportionately harmed U.S. agricultural and manufacturing sectors.

Just as past U.S. tariff waves escalated, such as the ones in 2018, the 2025 EU–U.S. trade confrontation fits a familiar pattern: global trade volumes are already contracting, and businesses on both sides are adjusting supply chains to sidestep tariffs, notably in autos and chemicals.

These patterns are relevant to the 2025 EU–U.S. trade tensions. Like China, the EU faces challenges from tariffs that directly affect major export sectors—autos, steel, and agriculture. For example, Germany’s automotive industry exports nearly 500,000 vehicles to the U.S. annually, making it highly exposed to new 25% tariffs on cars (Euronews, 2025). Agricultural exports such as cheese, wine, and olive oil also face uncertain markets and potential oversupply domestically due to retaliation-triggered U.S. bans on iconic EU goods (Barbière, 2025).

The EU has previously used World Trade Organization (WTO) mechanisms to defend its interests. In 2019, for nearly two decades, the E.U. and the U.S. accused each other of unfairly helping their respective giant airplane manufacture companies, Boeing (U.S.) and Airbus (E.U.). The WTO ruled that the European Union had provided illegal support to Airbus, and therefore allowed the United States to impose tariffs on \$7.5 billion worth of E.U. goods, marking the largest such award in WTO history. A year later, in 2020, the Airbus–Boeing dispute continued, following a subsequent ruling permitting the EU to impose \$4 billion in retaliatory tariffs on U.S. goods, reinforcing its use of legal assertiveness within multilateral rules.<sup>1</sup>

Finally, previous research warns against tit-for-tat escalation. Bown and Irwin (2019) emphasize that protracted trade wars result in no clear winners and can entrench long-term protectionist trends that damage the multilateral trade system. Collectively, the literature underscores that while trade retaliation can be legally justified or politically expedient, tariffs consistently lead to reduced competitiveness, higher consumer costs, and systemic trade disruptions. Without careful coordination and long-term strategy, escalation risks entrenching protectionism and weakening the multilateral trade framework.

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<sup>1</sup> Highlights of the 17-Year Airbus, Boeing Trade War | Reuters, [www.reuters.com/world/highlights-17-year-airbus-boeing-trade-war-2021-06-15/](https://www.reuters.com/world/highlights-17-year-airbus-boeing-trade-war-2021-06-15/).



## **EU Trade Policy and Multilateralism**

The European Union has historically favored multilateral mechanisms and WTO-centric trade governance over unilateral or aggressive bilateral actions. As the EU's official trade framework states, the bloc prioritizes open markets, enforceable rules, and strategic partnerships, particularly through Free Trade Agreements (FTAs) (European Commission, 2019).

In early April 2025, European Commission President Ursula von der Leyen declared: “We do not want to give up decision-making power in return for a deal,” emphasizing the EU's commitment to balancing multilateral cooperation with sovereign autonomy.<sup>2</sup>

However, shifts in global geopolitics and growing economic nationalism-particularly from the U.S., have forced the EU to reassess its trade doctrine. Mildner and Schmucker (2024) argue that Brussels must update its trade arsenal to include faster, more flexible unilateral tools without fully abandoning the WTO. The Airbus-Boeing dispute, where the EU imposed legally sanctioned retaliatory tariffs after a WTO ruling, offers a precedent for combining legalism with assertiveness (Evenett & Meier, 2005).

In 2025, the E.U. 's approach and trade policy is signified by a combination of negotiations and preparedness. While pursuing talks with the United States to reduce tariffs, the European Commission has also prepared €95 billion in retaliatory duties, targeting high-profile U.S. exports such as digital services, agricultural products, and advanced manufacturing.<sup>3</sup> In order to reduce dependence on the U.S market, the European Union has



also significantly expanded trade talks with other regions around the world, such as the United Arab Emirates.<sup>4</sup>

The EU-Japan Economic Partnership Agreement (EPA), one of the world's largest trade pacts, showcases the EU's preference for cooperation and legal clarity. Yet, this approach is under strain. According to the European Parliament (2024), internal divisions and member state asymmetries increasingly challenge Brussels' ability to speak with one voice during external crises.

In summary, the existing literature portrays the European Union as a traditionally rule-based and multilateral actor, but one now undergoing a strategic shift. Faced with rising protectionism and weakened global trade governance, the EU is increasingly adopting more assertive and flexible economic policies, balancing legal norms with geopolitical realism.

<sup>2</sup> EU Won't Give Up Decision-Making Power for a U.S. Trade Deal, Says Top Official." The Wall Street Journal, 23 June 2025

<sup>3</sup> EU Sets out Possible 95-Billion-Euro Response to US Tariffs | Reuters, [www.reuters.com/business/autos-transportation/eu-sets-out-95-bln-euro-countermeasures-us-tariffs-2025-05-08](https://www.reuters.com/business/autos-transportation/eu-sets-out-95-bln-euro-countermeasures-us-tariffs-2025-05-08)

<sup>4</sup> Stur, Beata. "The EU and UAE Negotiate a Free Trade Agreement." European Interest, 31 May 2025, [www.europeaninterest.eu/the-eu-and-uae-negotiate-a-free-trade-agreement/](https://www.europeaninterest.eu/the-eu-and-uae-negotiate-a-free-trade-agreement/).



## **Internal Economic Strategy Literature**

To effectively counter the disruptions triggered by the 2025 U.S. tariffs, the European Union must draw on scholarly and institutional literature that explores how internal strategies bolster resilience and reduce exposure to external economic shocks.

### ***Short-Term Measures – Targeted Industrial Support***

Rodrik & Sabel (2023) argue that modern industrial policy should be adaptive and performance-based, capable of stabilizing sectors without distorting competition. The EU’s Clean Industrial Deal and Strategic Technologies for Europe Platform (STEP) provide mechanisms for such support (European Commission, 2023). Similarly, Bruegel’s analysis of the U.S. Inflation Reduction Act highlights how strategic, time-bound subsidies can reposition industries in a disrupted global economy (Kleimann et al., 2023).

### ***Long-Term Resilience – Structural and Market Reforms***

Aiginger & Rodrik (2020) call for mission-oriented policy that strengthens intra-EU value chains and reduces global dependency. The European Parliament has supported a Strategic Resilience Fund, modeled on cohesion policy tools, to boost industrial diversity, stockpiles, and supply chain security. Additionally, regulatory harmonization across member states could unlock an estimated 3% GDP gain (Darvas & Wolff, 2021). Lagarde (2024) further underscores the ECB’s view: “Internal integration is Europe’s best shield” against external shocks.

## **Strategic Communication and Public Diplomacy**

Crisis communication literature emphasizes clarity, consistency, and audience segmentation as pillars of effective public diplomacy (Coombs, 2007; Nye, 2004). The EU's communication strategy during trade conflicts has historically leaned on a legalist, values-based narrative, designed to stabilize markets and maintain institutional credibility.

The 2002 steel tariffs offer a successful precedent. Bown (2004) explains how the EU's WTO-led response and calm messaging led to a full U.S. withdrawal of tariffs. More recently, the 2018 Trump tariffs prompted the EU to frame its actions as “defensive,” targeting Harley-Davidson and bourbon-producing states—a blend of economic pressure and public narrative crafting (Evenett & Fritz, 2019).

Post-2020, the EU has increasingly emphasized “strategic autonomy” and “de-risking,” particularly in its rhetoric toward China. The EU's reaction to the 2021 Lithuania–China dispute highlighted its shift toward value-laden messaging aligned with human rights, democratic norms, and anti-coercion policies (Leonard et al., 2023).

Nonetheless, critics argue that Brussels' communication often lacks the speed and emotional resonance necessary for crisis moments. Helwig (2020) observes that bureaucratic delays and inconsistent national voices undercut unified messaging during the COVID-19 response.

In an interconnected global economy, how states communicate during trade crises can be as consequential as the policies themselves. Strategic messaging shapes the perceptions of markets, citizens, and international partners, helping to contain uncertainty and signal stability. According to Nye (2004), soft power—the ability to influence through attraction rather than coercion—relies heavily on credible communication and the projection of values. In trade conflicts, this translates into narratives that frame retaliatory actions as principled, rules-based, and proportionate, thereby safeguarding legitimacy in the eyes of investors and allies. Clear, consistent communication reassures financial markets and deters escalation,

whereas ambiguity or fragmentation can exacerbate volatility and erode trust.

Taken together, the literature suggests that the EU's communication strategy during trade crises is not merely reactive, but deliberately curated to reinforce its values, stabilize public sentiment, and influence international perceptions. While generally aligned with core crisis communication principles—such as clarity, proportionality, and legitimacy—ongoing challenges remain in achieving timeliness and emotional resonance. These limitations are particularly pronounced during fast-moving geopolitical shocks, where fragmented or delayed messaging risks undermining investor confidence and institutional cohesion.



## **Thematic Analysis**

### **Theme 1: External Economic Response**

The 2025 U.S. tariffs have put the EU in a difficult position. The central challenge lies in whether the EU should retaliate directly, adapt institutionally, or adopt a combination of both strategies. A unilateral response without coordination risks economic self-harm and political backlash. Conversely, failing to act could encourage future aggression and weaken the EU's global standing.

#### **Strategic Options: Retaliation vs. Adaptation**

Three main responses are on the table:

1. Full retaliation through tariffs on a broad range of U.S. goods
2. Targeted or symbolic retaliation paired with WTO litigation
3. Strategic restraint, focusing instead on diversification and alliance building

Retaliatory tariffs could demonstrate resolve and apply pressure on U.S. domestic lobbies, particularly in politically sensitive states. However, broad tariffs could escalate tensions, affect consumer prices, and damage transatlantic supply chains. A more measured approach—symbolic yet targeted—might help the EU assert its position while keeping economic disruption minimal. For instance, hitting niche U.S. industries (e.g., bourbon,

motorcycles, or recreational vehicles) could replicate Canada’s successful approach from 2018.

WTO mechanisms should also be activated. This shows that the EU continues to operate within international norms, contrasting with the U.S.’s more unilateral actions. A legal response builds moral authority and global support.

### ***Comparative Strategy Lessons***

Canada’s experience during the Trump-era tariffs provides a useful model of limited retaliation combined with diplomatic engagement. In contrast, China’s all-in retaliatory strategy exacerbated U.S.–China tensions and fragmented the global trade landscape, ultimately leading to deep economic decoupling. The UK’s quiet negotiation post-Brexit reflects a desire to avoid confrontation but also left it with diminished leverage.

## **Theme 2: Internal Economic Strategy**

The internal economic response to the 2025 U.S. tariffs is equally critical. While external retaliation garners headlines, the EU’s capacity to adapt and strengthen itself from within will determine its medium- and long-term resilience.

### ***Short-Term Economic Measures***

Targeted subsidies should be deployed to support industries directly impacted by the tariffs—particularly automotive manufacturing, pharmaceuticals, and clean energy. These sectors are both economically significant and politically sensitive across the Union. Subsidies should be performance-based and conditional, ensuring support goes to firms that commit to reinvestment, innovation, and workforce protection. Instruments like the Strategic Technologies for Europe Platform (STEP) could facilitate rapid disbursement.

In tandem, a “European Made” initiative could stimulate internal demand and provide a positive narrative about EU production. Public procurement strategies, tax incentives, and marketing campaigns could amplify this message. Emphasizing local resilience will resonate

with consumers and protect industries from overreliance on foreign demand.

Export diversification is also essential. The EU should redirect trade relationships toward high-growth economies such as India, Indonesia, Brazil, and Vietnam. Doing so reduces dependency on U.S. demand and opens new growth paths for small and mid-sized enterprises.

### ***Long-Term Structural Measures***

The EU must invest in strategic autonomy. A Strategic Resilience Fund—modeled on cohesion or green transition funds—can support the development of local supply chains for critical inputs (e.g., rare earths, pharmaceuticals, battery materials). This fund would reduce long-term vulnerability to global shocks and protect European industries from externally imposed disruptions.

Intra-European market integration is also essential. Despite progress, regulatory fragmentation remains a significant barrier to growth. Aligning digital, environmental, and product standards across the single market would unlock growth and improve competitiveness.

Infrastructure investments—especially in digital customs, cross-border freight networks, and logistics hubs—can lower transaction costs and promote internal trade. These measures not only offset the impact of U.S. tariffs but also build long-term strength.

### **Theme 3: Communication and Public Messaging**

The EU's communication strategy will shape perceptions among citizens, investors, and international partners. In the context of a major trade dispute, messaging is not just about optics—it is a strategic tool that can influence public sentiment, market behavior, and diplomatic relationships.

#### ***Messaging Strategy and Timing***

The EU must establish a central crisis communication unit under the European Commission as soon as a major trade conflict arises. This unit should coordinate consistent messaging across EU institutions, national governments, and the media. Timing is critical: delay or fragmentation in messaging could trigger market uncertainty or allow political opponents to define the narrative.

During the early days of the COVID-19 pandemic, the EU was criticized for delayed and inconsistent public messaging, which created confusion and fueled misinformation (Helwig, 2020). In this case, a well-prepared and unified message would signal control, purpose, and solidarity.

Key figures like Ursula von der Leyen and Josep Borrell should deliver initial responses, framing the EU's actions as measured, legal, and protective of its industries and values. A unified voice avoids panic and reassures markets, stakeholders, and EU citizens that the situation is being handled decisively.

#### ***Framing and Digital Communication***

The content and tone of EU messaging must reinforce its image as a principled, rules-based global actor. The EU should frame its response as a defense of fair trade, not an act of retaliation. Messaging should emphasize that the EU's goal is to protect European jobs and industries while preserving global stability and respecting international law.

The use of digital platforms—especially Twitter/X, YouTube, LinkedIn, and



institutional blogs—will be essential to drive visibility and coherence. Coordinated hashtags, multilingual video briefings, and shareable visuals can help shape both public and media narratives. EU institutions must also engage with think tanks, journalists, and academics to build consensus and amplify legitimacy.

Finally, the EU should mobilize credible third-party voices—such as economists, business leaders, and civil society organizations—to echo its messaging. These endorsements enhance credibility, show broad support, and insulate the EU from accusations of overreaction or internal division.

## **Theme 4: Stakeholder Analysis**

A central challenge to any unified EU response is the diverse national interests across its 27 member states. While the EU operates as a single economic bloc, internal economic structures, political priorities, and industrial exposure to U.S. tariffs vary significantly. Managing these differences transparently and strategically is essential to preserving EU cohesion and credibility.

### ***Diverging Interests and Exposure***

Different member states are affected in distinct ways by the 2025 U.S. tariffs. For instance, Germany and Slovakia are disproportionately impacted due to their reliance on automotive exports, while countries like France may emphasize protecting their agricultural sectors. Southern states like Greece or Portugal, less directly exposed to U.S. trade, may be more concerned with internal redistribution of EU aid rather than aggressive external measures. These differences risk slowing decision-making or fracturing policy alignment if not pre-emptively addressed.

A comparable challenge arose during the negotiations of the COVID-19 Recovery Fund. Initial resistance from the “Frugal Four” (Austria, the Netherlands, Sweden, and Denmark) showed how national budgetary concerns could slow unified EU action, even in

crisis. Only through persistent negotiation and compromise was a collective solution reached.

### ***Institutional Mechanisms for Unity***

To manage divergence, the EU should operationalize internal coordination through established mechanisms such as the Eurogroup, COREPER, or even enhanced cooperation under Article 20 of the Treaty on European Union.<sup>5</sup> These platforms allow member states to negotiate from national perspectives within a structured environment, facilitating both unity and flexibility.

One practical proposal is the creation of a “Crisis Coordination Taskforce” under the Commission and Council, specifically for trade retaliation scenarios. This taskforce would assess national sensitivities, coordinate subsidy frameworks, and recommend compensatory instruments (e.g., reallocation of cohesion funds or temporary derogations).

A tiered policy model—where all member states agree on a basic EU response, but certain sectors or countries are given targeted tools—could ease political tensions while presenting a united external front.

### ***Maintaining Public Unity and Confidence***

Beyond internal coordination, public demonstrations of unity are crucial. High-visibility actions like joint press conferences, co-authored op-eds by national leaders, or coordinated national debates in parliaments can help show that national differences are being managed democratically, not suppressed. Visibility builds legitimacy, both domestically and abroad.

Finally, internal divergence should not be treated as weakness but as a governance challenge to be addressed transparently. If well-managed, it becomes a feature of EU pluralism and a demonstration of its democratic flexibility.

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<sup>5</sup> Treaty on European Union, Article 20; Council of the European Union. (2022). Guide to Council Preparatory Bodies: COREPER and Supporting Groups. European Commission documentation

## **Theme 5: Risks of Inaction**

While much attention is focused on what the EU should do, it is equally important to consider the risks of doing too little. A passive or incoherent response to the 2025 U.S. tariffs would not simply be a missed opportunity — it could actively erode the EU’s economic standing, internal cohesion, and global credibility.

### ***Strategic and Economic Consequences***

If the EU fails to act decisively, the U.S. may interpret this as a sign of strategic weakness, emboldening future protectionist moves. It could also signal to other global players — including China, India, and regional blocs like ASEAN — that the EU is unwilling or unable to defend its own trade interests. This perception could reduce the EU’s leverage in future negotiations and multilateral forums.

Domestically, EU industries already under strain may face layoffs, declining investor confidence, and reduced global market share. SMEs, which are less equipped to weather trade disruptions, would be especially vulnerable. Financial markets may also respond negatively to perceived EU indecision, driving volatility and undermining the euro’s credibility as a global reserve currency.

Inaction could also allow political divisions within the EU to deepen. Member states hardest hit by the tariffs may begin pursuing unilateral agreements or protectionist measures, fragmenting the single market. The result could be a weakened Commission, slower policy coordination, and further erosion of trust between national governments and EU institutions.

### ***Political and Institutional Repercussions***

Politically, a soft or delayed response would likely fuel Euroscepticism. Far-right or nationalist parties may frame inaction as proof that Brussels cannot protect “ordinary Europeans” from global threats. This could undermine support for future EU integration

projects, from digital markets to defense cooperation.

Moreover, the EU's role in the World Trade Organization (WTO) and broader rules-based order would be weakened. The bloc has long positioned itself as a champion of multilateralism and trade law. Failure to assert its legal rights against the U.S. at the WTO would reduce the credibility of that stance and discourage others from upholding similar rules.

### ***Historical Precedents***

History provides warnings. In the early 2000s, when the U.S. imposed steel tariffs under President George W. Bush, the EU initially delayed its response. The hesitation allowed the U.S. to maintain the tariffs longer than necessary, hurting European producers. Only after strong EU threats of retaliation did the U.S. withdraw the measures.

Similarly, during the 2008 financial crisis, the EU's slow and fragmented response created deep mistrust between Northern and Southern states. The delay in coordinated recovery mechanisms exacerbated economic damage and sowed long-term political division — lessons that remain relevant today.<sup>6</sup>

### ***Conclusion***

The costs of inaction are multifaceted and long-term. Economically, politically, and institutionally, the EU cannot afford to delay or dilute its response to the 2025 tariffs. A clear, coordinated, and timely reaction is not simply a defensive move — it is a necessary step to protect the EU's integrity, resilience, and place in the global order.

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<sup>6</sup> See: Bown, C. P. (2004). *Transatlantic Trade Disputes and the WTO Dispute Settlement System*. World Bank; and Pisani-Ferry, J. (2014). *The Euro Crisis and Its Aftermath*. Oxford University Press.



## **Strategic Conclusions and Recommended Course of Action**

The 2025 U.S. tariffs have triggered a critical juncture for the European Union—not only in terms of external trade dynamics, but also in how the EU defines its internal resilience, public legitimacy, and global role. This paper has analyzed the challenge from five dimensions: external economic response, internal economic strategy, public communication, stakeholder coordination, and the risks of inaction. What emerges is the need for a coordinated, multifaceted plan that leverages both immediate tools and long-term institutional strategies. The following recommendations outline a unified course of action:

### **4.1 External Economic Strategy: Assertiveness with Restraint**

The EU should pursue calibrated retaliation targeting high-visibility U.S. exports, particularly those linked to politically sensitive constituencies. This approach maximizes strategic impact while minimizing escalation. Legal pathways via the WTO must be activated simultaneously to reinforce the EU's rules-based posture. Finally, the EU should fast-track trade negotiations with high-growth partners (e.g., ASEAN, Mercosur, India) to reduce dependency on U.S. trade and build alternative markets.

## **4.2 Internal Economic Strategy: Stabilization and Transformation**

Internally, the EU must adopt a two-track strategy: emergency relief and deep reform. Short-term support should include targeted, conditional subsidies for affected industries and SMEs, coupled with a “European Made” campaign to boost internal demand. Over the long term, the EU should establish a Strategic Resilience Fund to promote supply chain autonomy and invest in critical infrastructure, including digital customs and intra-European freight corridors. Completing the single market through regulatory harmonization remains key to long-term competitiveness.

## **4.3 Strategic Communication: Unity, Legitimacy, and Speed**

Crisis communication must be treated as a strategic function, not a reactive task. The EU should create a central crisis communication unit within the European Commission to coordinate consistent, multilingual messaging. Key officials must deliver timely, values-based narratives that emphasize legality, proportionality, and protection of European livelihoods. Digital platforms and trusted third-party voices (e.g., business leaders, civil society) should be mobilized to amplify reach and credibility across audiences.

## **4.4 Managing Internal Divergence: Coordination Without Concession**

Internal divergence must be managed transparently through institutional mechanisms like COREPER, the Eurogroup, and potentially enhanced cooperation under Article 20 of the TEU. A Crisis Coordination Taskforce should be established to map national vulnerabilities, align support instruments, and mediate policy trade-offs. Simultaneously, public demonstrations of unity—joint statements, coordinated national engagements—should reinforce cohesion and preempt fragmentation. A tiered response model could enable flexibility without compromising the integrity of a collective EU strategy.

## **4.5 Avoiding Inaction: Institutionalizing Readiness**

Perhaps the greatest risk lies in hesitation. The EU must institutionalize escalation protocols that outline time-bound steps for internal coordination, retaliation, and WTO litigation. This prevents paralysis and reassures both markets and member states that the Union is capable of defending its interests. Drawing from past failures, whether the delayed response to Bush-era steel tariffs or the fragmented COVID-19 recovery, the EU must ensure that delay is never again the default.

## **Final Reflection**

A fragmented or delayed EU response risks economic damage, loss of credibility, and political instability. But a unified, multi-level strategy—balancing retaliation with reform, communication with coordination—can transform the challenge into an inflection point. By acting decisively and coherently, the EU not only defends itself against immediate threats but lays the groundwork for deeper integration and renewed global influence.

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