



## Policy Alert: US, EU Trade Talks Leave Tariff Plans Uncertain

*Updated 29 May 2025*

**Action:** In a social media [post](#) on May 23, President Trump threatened to impose 50% tariffs on the EU beginning June 1 – the latest development in ongoing negotiations spurred by the President’s April announcement of 20% tariffs on EU goods. That rate was quickly reduced to 10% while negotiators worked on a larger deal, with an early-July deadline set to avoid returning to the 20% tariff. On May 25, the President [announced](#) he had agreed to delay implementation of the threatened tariffs until July 9 following a call with European Commission President Ursula von der Leyen to allow negotiators more time to reach a deal.

### Key Insights

- The President’s May 23 announcement would have significantly shortened the amount of time available to negotiators and sharply increased the tariff rate that would be imposed if they failed to reach a deal. The President has [indicated](#) that he is dissatisfied with the pace of the negotiations.
- According to press [reports](#), the EU has provided a list of concessions it is willing to offer to the US, including increasing purchases in certain sectors (e.g., energy) and cooperation on industries such as steel, aluminum, semiconductors, and cars. It also reportedly includes measures related to tariff and non-tariff barriers to US exports to the EU and possible greater mutual [recognition](#) of standards.
- The EU approach in the negotiations seems to be to promote deepened US-EU

economic cooperation, and it is unclear whether this is acceptable to the US side at a time the US is focused on reshoring rather than friendshoring strategies.

- The US has also reportedly provided a list of principles for negotiation, though its details were not publicly available.
- The EU has itself [prepared](#) a list of goods – valued at about \$130 billion – that could be subject to tariffs if negotiations fail.
- Some observers have [warned](#) that it is unlikely that the US and EU will reach a comprehensive trading agreement in such a short time. The trading partners last attempted to reach a wide-reaching trade agreement in 2013 (the Transatlantic Trade and Investment Partnership), but negotiations stalled after three years because of intractable issues, including regulatory differences on food safety (e.g., chemically rinsed chicken), environmental standards (e.g., car fuel efficiency), and consumer protection. Some EU stakeholders also [objected](#) to a dispute resolution mechanism they believed would open the door to US firms challenging and weakening EU regulatory standards.
- Instead, the negotiators may reach smaller targeted agreements on strategic sectors that fall short of a comprehensive agreement for sensitive industries (e.g., agriculture).

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