



By: TA | AP Brief

Macron urges EU to consider trade 'bazooka' in response to US tariffs threat



Rattled by President Donald Trump's aggression towards **Greenland**, the European Union is readying counter-measures against the United States.

But as primarily a trading bloc of 27 nations, the **EU's toolkit** is mostly financial instruments, from **steep tariffs** on U.S. goods to the so-called "trade bazooka" touted by French President Emmanuel Macron.

The term is shorthand for the bloc's Anti-Coercion Instrument, or ACI, that could sanction individuals or institutions found to be putting undue pressure on the EU.

Those sanctions could inflict untold billions of dollars in costs to U.S. companies by restricting EU market access, barring them from EU public tenders, and potentially limiting foreign direct investment and curtailing the export and import of goods and services.

So far, there's little backing in the 27-nation EU to use it, with the exception of France.

Macron warned in Davos on Tuesday that additional tariffs by the U.S. could force the EU to use its anti-coercion mechanism for the first time.

"The crazy thing is that we could find ourselves in a situation where we use the anti-coercion mechanism for the very first time against the United States," said Macron, arguing that allied countries should be focusing instead on bringing peace to Ukraine.

"Can you imagine it? It's crazy. I regret it, but it is the consequence of unnecessary aggressiveness. Still, we must all remain calm."

Macron described the mechanism as "a powerful instrument and we should not hesitate to deploy it in today's tough environment."

Emergency summit

EU leaders will hold an emergency summit in

Brussels on Thursday over **tensions with Trump**.

The ACI was established by the European Commission in 2021 after Beijing restricted trade to Lithuania over its ties with Taiwan, which is claimed by China as its territory.

"The primary objective of the ACI is deterrence. The instrument will, therefore, be most successful if there is no need to use it," according to a commission statement issued before the dispute over Greenland.

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The value of EU-U.S. trade in goods and services amounted to 1.7 trillion euros (\$2 trillion) in 2024, or an average of 4.6 billion euros a day, according to EU statistics agency Eurostat.

Europe's biggest exports to the U.S. are pharmaceuticals, cars, aircraft, chemicals, medical instruments, and wine and spirits.