

US trade

Donald Trump tells EU to buy US oil and gas or face tariffs

US president-elect warns bloc that member states will face tariffs unless they make big purchases



Donald Trump said the EU must make up its 'tremendous deficit' with the US © AP

Alice Hancock and **Henry Foy** in Brussels and **Shotaro Tani** in London
YESTERDAY

Get ahead with daily markets updates. [**Join the FT's WhatsApp channel**](#)

US president-elect Donald Trump has warned the EU that it must commit to buying “large scale” amounts of US oil and gas or face tariffs, in his first trade salvo against Brussels since his election victory.

The EU is desperate to avoid a trade war with [Trump](#) and has spent the past month racing to draw up potential ways to avoid tariffs by increasing purchases of US goods such as liquefied natural gas (LNG) or agricultural products.

“I told the European Union that they must make up their tremendous deficit with the United States by the large scale purchase of our oil and gas. Otherwise, it is TARIFFS all the way!!!” Trump wrote on his Truth Social platform on Friday.

Trump’s threat follows overtures already made by Brussels suggesting member states could buy more US LNG, which has been a lifeline for the bloc after Russia squeezed supplies of fossil fuels following its full-scale invasion of Ukraine.

[EU](#) officials have also begun work on potential trade reprisals should Trump move to impose tariffs, but capitals are keen to avoid a spiralling economic conflict with

the White House given other areas of reliance on the US, such as defence.

European Commission president Ursula von der Leyen said in November that the EU would consider buying more gas from the US.

“We still get a lot of LNG from Russia and why not replace it by American LNG, which is cheaper for us and brings down our energy prices,” she told reporters.

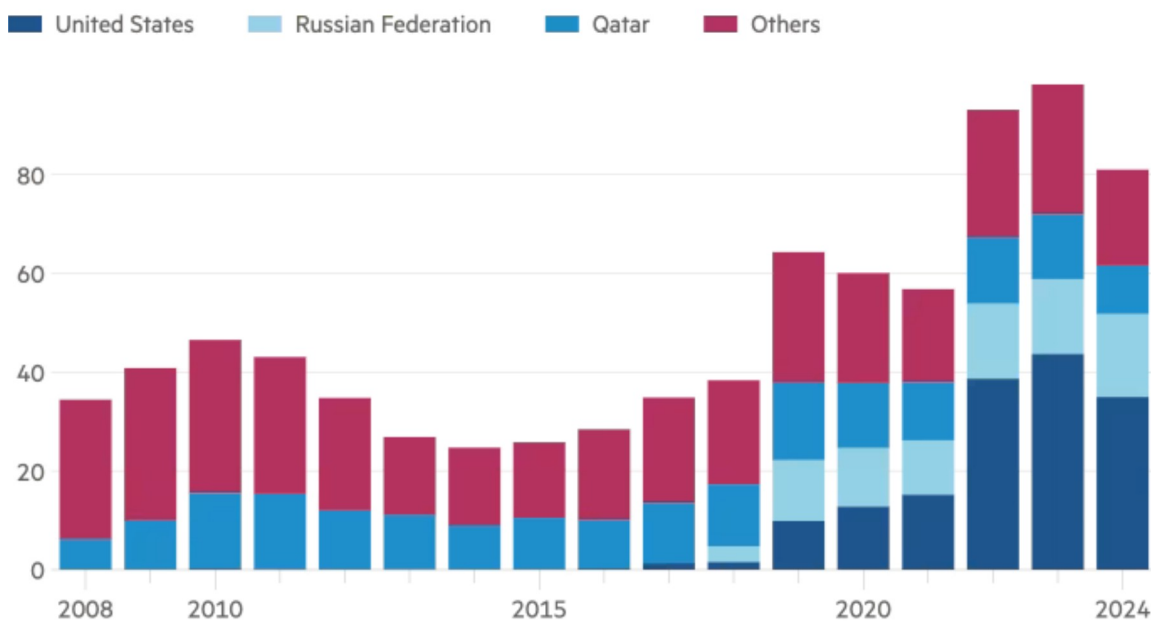
One EU official observed: “It seems odd as a ‘threat’ given that von der Leyen alluded to the possibility of doing precisely this.”

The US is already the biggest supplier of LNG and oil to the EU. In the first half of 2024, the US provided around 48 per cent of the bloc’s LNG imports, compared with 16 per cent from Russia.

America supplied 15 per cent of the EU’s oil imports in the third quarter, according to Eurostat, the EU’s statistical agency.

EU imports of LNG from the US have surged

(in million tonnes)



Source: Kpler

Trump has threatened a blanket tariff of up to 20 per cent on all non-Chinese US imports. Last month, European Central Bank president Christine Lagarde urged Europe’s political leaders to co-operate with him over tariffs and buy more products made in the US.

Energy analysts said the US would need to expand LNG production to supply more to the EU.

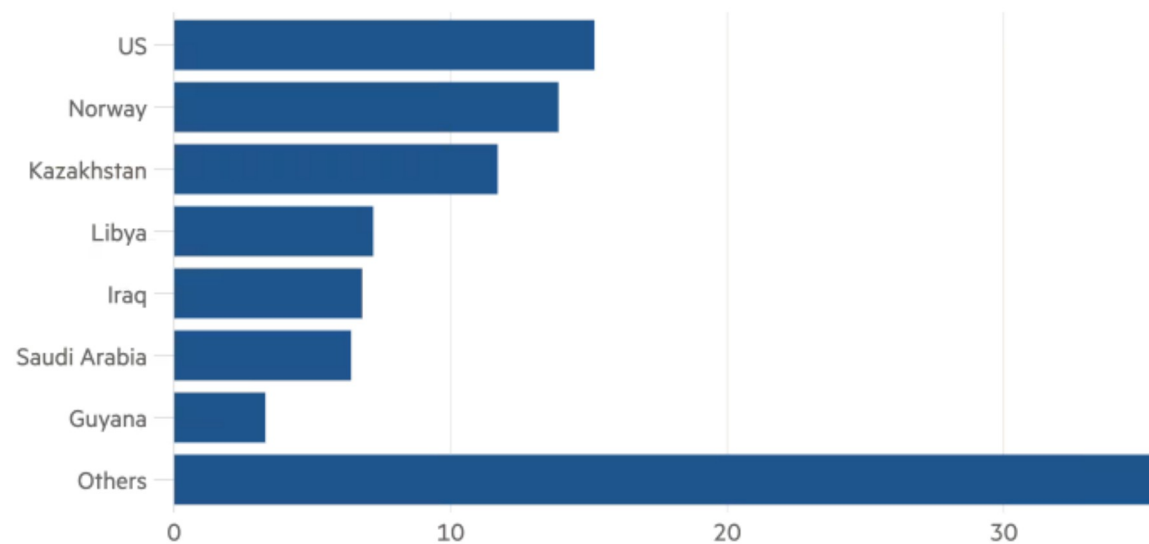
“The key problem is that the US has no spare LNG capacity to send to Europe at the moment,” said Florence Schmit, energy strategist at Rabobank, adding that European countries would have to outbid Asian buyers.

During Trump’s first presidency, then-European Commission president Jean-Claude Juncker offered to buy more US gas to stem the threats of a trade war.

The US is the largest exporter of petroleum oil to the EU

(Q3 2024, in %)

■ Percentage



Source: Eurostat

Analysts at the Brussels-based think-tank Bruegel said the EU should back up any offers to buy more American “with a credible threat of retaliation that could be implemented if the US decides to impose tariffs on EU exports”.

Prices for international oil benchmark Brent crude were down 0.4 per cent at \$72.61 a barrel on Friday. West Texas Intermediate futures were down 0.4 per cent at \$69.14 a barrel.

Trump’s warning comes amid a high-stakes scramble in Washington to secure continued funding for the US government. A possible shutdown loomed on Friday after a Trump-supported plan that would have suspended the debt ceiling was voted down in the House of Representatives.

