CHAPTER 6

FIDDLING WHILE THE WORLD BURNS?

The EU's climate policy conundrum under Trump 2.0

by
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Donald Trump's return to the presidency was a major blow to transatlantic cooperation – and trust – in fighting climate change. The new US administration is attacking climate science and reversing climate action. Simultaneously, the US is pushing for massive fossil fuel exports, including them as conditions in trade deals. The EU meanwhile is dithering between competing priorities. On the one hand, climate change remains a central priority for nearly 9 in 10 of its citizens, as polls repeatedly show [1]. It is also a major security challenge: Europe is warming at twice the global average and faces imminent tipping points. At the same time, more and more political groups in Europe are embracing climate scepticism – and are emboldened by Trump. The EU has also shown a willingness to compromise on some of its energy transition objectives to ensure that the transatlantic relationship remains functional. In July 2025, the Commission agreed to a trade deal which included the purchase of $750 billion worth of fossil energy from the US.

The EU needs to rediscover clarity of direction on climate action. Only then can it begin to manage the highly transactional relationship with President Trump. It should stay the course in areas where Trump threatens core EU interests, which include the danger of climate change and, to some extent, the expansion of domestically produced energy. Yet in other domains it needs to act pragmatically, navigating an environment in which climate action no longer commands consensus – both at home and abroad.

(1) Eurobarometer, *Climate Change* (https://europa.eu/eurobarometer/surveys/detail/3472).

TRUMP 2.0: A NEW DEPARTURE?

The US has often oscillated on climate leadership, with Republicans being especially resistant to global efforts to combat climate change. However, Trump presents new challenges in two main areas.

Firstly, Trump has attacked not only climate science but also the scientists doing the research. Since 2020, 23% of climate studies have involved at least one American scientist [(2)]. At least half of global ocean observation is done using American equipment [(3)]. The US is a global science powerhouse with the resources to sustain that role. This has been true in the field of climate science too.

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Attacks on academic freedom, including slashing related research, is undermining this position. Trump is breaking the bipartisan consensus on science funding and attempting to reshape universities around his own political movement. He has made efforts to institutionalise the rejection of climate science, for example through tasking the Environmental Protection Agency to dismiss its 2009 finding which connected greenhouse gas emissions to climate change and other adverse environmental and societal effects [(4)].

Trump is thus attempting to undermine the global scientific consensus which underlines climate action. Even in the absence of mitigation efforts, the dramatic changes wrought by climate change on the environment would demand some sort of political response – one that, without a firm foundation, would be open to contestation. On climate however Trump starts with political expediency, not scientific fact. Even in areas of cooperation therefore, the EU should remain firm in its rejection of climate science denial, despite the political cover that Trump provides to its advocates.

Secondly, Trump views the energy transition in 'America First' terms. As early as 2012 he claimed that global warming was a Chinese invention designed to undermine America [(5)]. During the 2024 campaign, he openly championed fossil fuel exploitation in the US under the mantra 'drill baby, drill!'. His energy secretary, a former oil executive, is a vocal advocate of fossil fuel extraction and dismisses climate change as a political endeavour to crush modernity [(6)]. The commitment to the fossil fuel age will however have consequences for the US. In the AI race for example, which

(2) 'Aux Etats-Unis, l'administration Trump mène un "sabotage" en règle des sciences du climat', *Le Monde*, 8 March 2025 (https://www.lemonde.fr/planete/article/2025/03/08/aux-etats-unis-l-administration-trump-mene-un-sabotage-en-regle-des-sciences-du-climat_6577110_3244.html).

(3) Duffau, E., 'The attacks of the Trump II administration on climate, the environment, and biodiversity', IRIS, 25 March 2025 (https://www.iris-france.org/en/111410/).

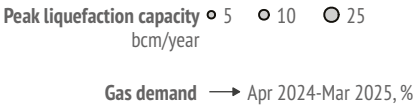
(4) 'US EPA to withdraw foundation of greenhouse gas rules sources say', Reuters, 23 July 2025 (https://www.reuters.com/legal/litigation/us-epa-withdraw-foundation-greenhouse-gas-rules-sources-say-2025-07-23/).

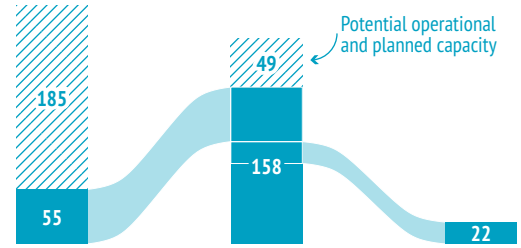
(5) Donald Trump on X, 'The concept of global warming was created by and for the Chinese, in order to make US manufacturing non-competitive', 6 November 2012 (https://x.com/realDonaldTrump/status/265895292191248385).

(6) Wright, C., 'Climate change is a bi-product of progress not an existential crisis says Trump's energy czar', *The Economist*, 14 July 2025 (https://www.economist.com/by-invitation/2025/07/14/climate-change-is-a-by-product-of-progress-not-an-existential-crisis-says-trumps-energy-czar).

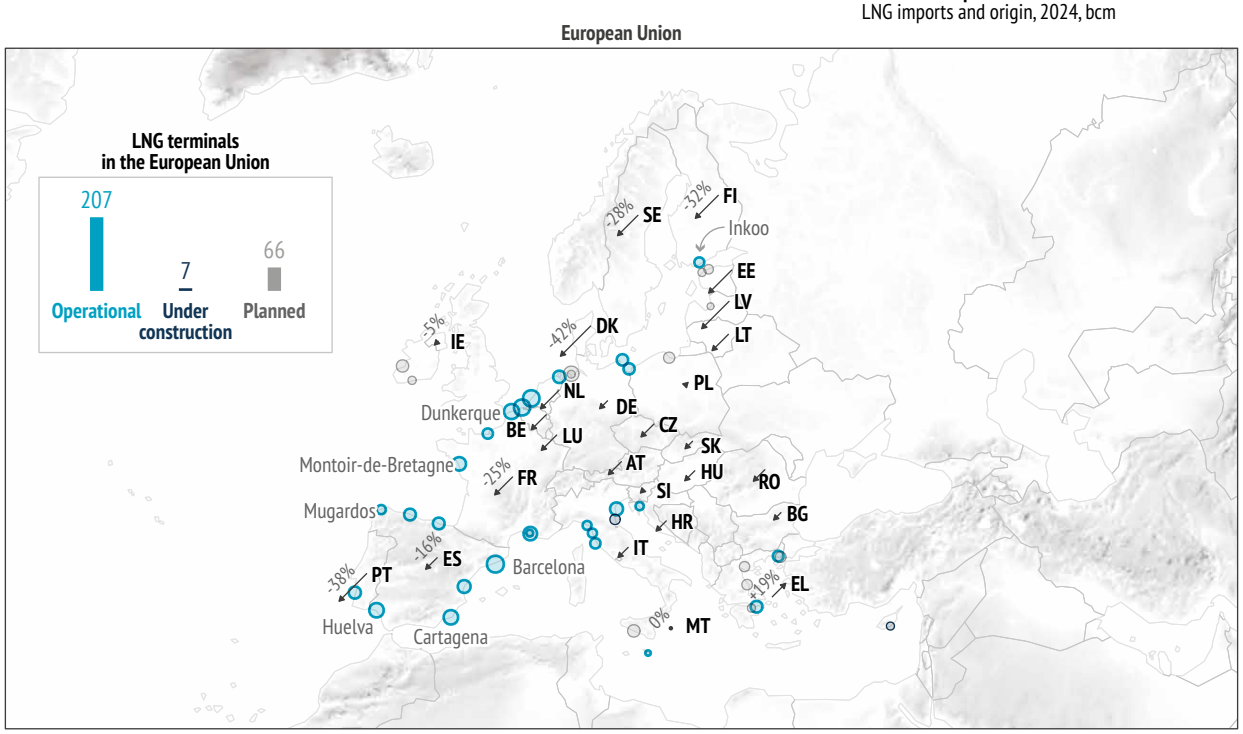
Lots of supply, not enough demand

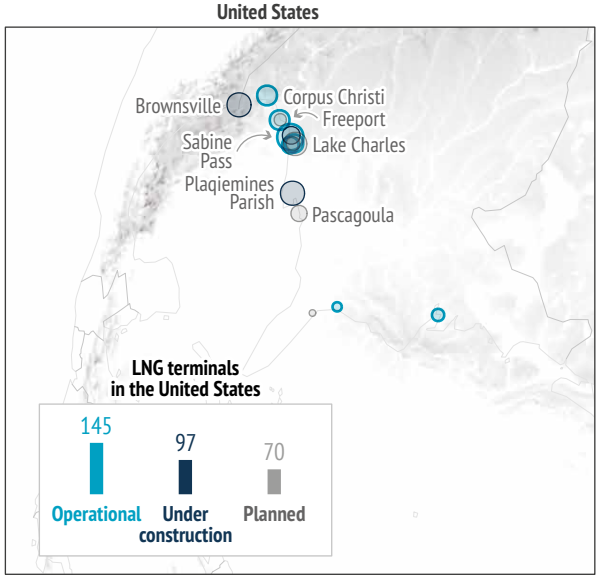
Export and import capacities of LNG

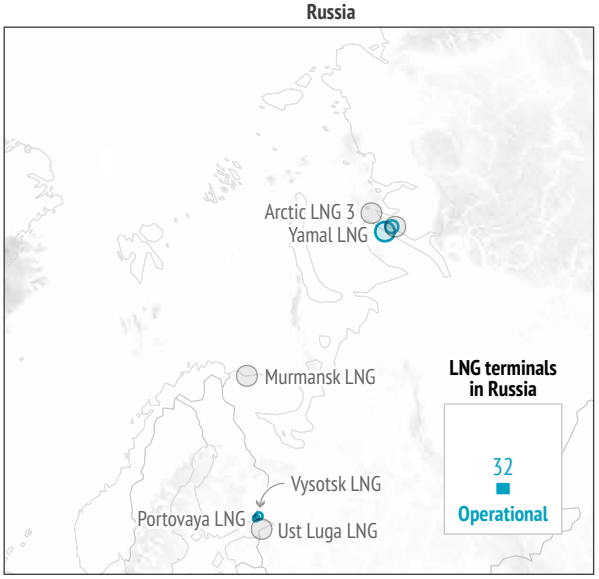




LNG imports and origin, 2024, bcm







Data: Federal Energy Regulatory Commission, Department of Energy and Gas Infrastructure Europe, 2025; IEFFA, 2025; Statista, 'Leading supplying countries of liquefied natural gas (LNG) to the European Union (EU27) in 2024', 2025; European Commission, GISCO, 2025

requires huge amounts of electricity, the administration is constraining access to cheap renewables – resources which in 2024 accounted for 94% of new additions to the grid[7].

Trump's obsession with fossil fuels poses a particular challenge for the EU. Reliance on fossil fuels, which are almost exclusively imported, has been viewed as a security risk for decades. Dependencies can quickly lead to vulnerabilities, which is especially worrying in an era of low trust towards the US. Long-term dependency on fossil fuels also poses a threat to European industrial competitiveness. With expensive US LNG making up an increasing share of gas supplies, the EU's electricity and gas prices are 3-5 times higher than those of its global competitors[8]. The energy transition was a way out of this trap. But Trump is ensnaring the EU again.

The 'One Big Beautiful Budget Bill' (OBBB), passed in July 2025, shows that Europe must chart its own path in renewables but also identifies some areas where it could seek cooperation. The bill phases out $570 billion in clean energy subsidies, aiming to slow down renewable energy production in the US and undercutting leading European companies such as Ørsted in the process[9]. Yet the OBBB also maintains subsidies for other clean energies, including nuclear and geothermal, both areas where there remains scope for transatlantic cooperation. Nevertheless, in today's low-trust environment the EU should consider its own needs first.

INDECISION IN THE EU

Just as the US has moved decisively against climate action and is attempting to roll back the energy transition, the EU has been caught flatfooted. Climate policy now faces considerable political pushback. While only a fringe element denies climate science outright, an increasing number of senior decision-makers appear willing to push climate down the list of priorities – for short-term gain likely leading to long-term pain. The EU must therefore reclarify its position if it is to attain its objectives in an age of transatlantic mistrust.

The European Commission currently risks appearing two-faced on climate.

The European Commission currently risks appearing two-faced on climate. On one hand, it remains committed to decarbonisation, announcing in June 2025 a target for reducing emissions by 90% by 2040[10]. On the other it is attempting to respond to a changing political environment by hastily rolling back some of the regulatory frameworks of the previous term. Along with several Member States, it therefore appears unsure as to what it actually wants on climate. As long as this lack of clarity persists, then

(7) Energy Information Administration, 'Solar, battery storage to lead new U.S generating capacity in 2025', 24 February 2025 (https://www.eia.gov/todayinenergy/detail.php?id=64586).

(8) Eurelectric, 'US vs EU, the ultimate power price showdown', 19 April 2025 (https://www.eurelectric.org/blog/us-vs-eu-the-ultimate-power-prices-showdown/).

(9) 'Donald Trump's war on renewables', *The Economist*, 31 July 2025 (https://www.economist.com/briefing/2025/07/31/donald-trumps-war-on-renewables).

(10) European Commission, 'EU Climate Law: A new way to reach 2040 targets', 2 July 2025 (https://commission.europa.eu/news-and-media/news/eu-climate-law-new-way-reach-2040-targets-2025-07-02_en).

the concessions demanded by Trump on security, trade and energy will take precedence.

The trade-offs of climate action remain straightforward. Global warming is a scientific fact, caused primarily by man-made emissions of greenhouse gases. The EU can either try to move away from fossil fuels in tandem with others or try to adapt to a world of more extreme weather, higher sea levels and growing unpredictability. In the EU, where fossil fuels are largely imported at great expense and adaptation already costs billions [(11)], mitigation has always made more sense.

Nevertheless, if the EU does intend to take a different approach, presumably gas dependence and restarting domestic coal production, it should be clear about the consequences. A renewed commitment to fossil fuels will lock in high energy prices and expose consumers to continued price volatility. In 2024 alone the EU spent €427 billion on fossil fuel imports [(12)], while in 2023 it subsidised fossil fuels to the tune of €111 billion – far exceeding the €61 billion invested in renewables [(13)]. Moreover, the Commission estimates that adaptation without mitigation would cost €250 billion annually by 2050, excluding broader societal fallout [(14)].

A middle course is to continue with mitigation but put the EU Green Deal through the wind tunnel. In doing so, the Commission should aim for improvement rather than simplification. There are more ways than one to accomplish climate goals and undoubtedly greater scope for technological blindness.

CLARITY LEADS TO ACTION

The EU must first and foremost establish clarity. It cannot afford to fiddle while the world burns. Within a multi-vector, transactional approach to managing its relationship with Trump, it needs to define what it still wants from the US on climate and energy, and where it is capable of standing alone. Only then can it work out what can be traded and what is best achieved through divergence.

Globally, a strong European commitment to climate action will undoubtedly bring challenges but also opportunities. In climate diplomacy, the US retreat from the world stage under Republican leadership is not unsurprising. While the EU remains a leader on global climate action, its strength lies in bringing together likeminded partners, allowing it to stand alone from the US on the global stage. Climate change is a core priority for several important middle powers in the 'Plural South'. In Brazil, for example, climate action ranks high on the foreign policy agenda [(15)]. Even without the US, the EU is much stronger on the global stage than it often thinks. By holding

(11) European Commission, '5 things you should know about extreme weather', 9 July 2025 (https://climate.ec.europa.eu/news-other-reads/news/5-things-you-should-know-about-extreme-weather-2025-07-09_en).

(12) European Commission, 'Energy prices and costs in Europe' (https://energy.ec.europa.eu/data-and-analysis/energy-prices-and-costs-europe_en).

(13) European Environment Agency, 'Fossil fuel subsidies in Europe', 29 January 2025 (https://www.eea.europa.eu/en/analysis/indicators/fossil-fuel-subsidies).

(14) European Commission, *Climate Change Impacts and Adaptation in Europe*, 13 May 2020 (https://publications.jrc.ec.europa.eu/repository/handle/JRC119178).

(15) Koerber Stiftung, *Momentum for Middle Powers: Emerging Middle Powers Report*, 2025 (https://koerber-stiftung.de/en/projects/koerber-emerging-middle-powers-initiative/2024-25/).

firm it will reinforce its credibility with the 'Plural South', especially if it is seen as standing up to the Americans, a stance that often resonates well there.

On energy, the EU should hold firm to restore a coherent strategy that balances twin long-term and short-term needs. In the long term it should focus on eliminating costly foreign dependencies by decarbonising its economy through domestic generation, efficiency and electrification. The current proposal to lock in demand for US LNG, just as gas demand is falling, would serve to create a new 'energy dependence by design' [16].

Currently the EU is effectively paying for two energy systems: the old one (built around gas pipelines and related infrastructure) and the new one (driven by a massive rollout of electricity grids). The quicker it can move from the former to the latter, the sooner it will begin to reap the benefits of the transition. This is already becoming clear, especially in Southern Europe where several states have ridden the boom in solar generation [17]. Of course, there is some way still to go, but prolonging the pain by delaying the transition will not help.

In the meantime, the EU can consider who will provide the ever-decreasing volumes of fossil fuels still needed for its economy [18]. Undoubtedly the main priority – even with Trump in the White House – is to end its reliance on Russian energy imports, especially those delivered through pipelines. In 2024, 50.4% of all Russian LNG exports went to the EU, funnelling $8.5 billion into the Kremln's coffers [19]. American LNG is always preferable to Russian LNG.

On other fronts, the EU could choose to instrumentalise certain policy areas to navigate a more transactional environment. One example is carbon pricing. As America continues to drive global carbon emissions – by deliberate choice as well as historical legacy – it should be expected to contribute to the costs of adaptation elsewhere. The EU should remain at the heart of global efforts to price and tax carbon, which would impose disproportionate costs on the US in the years ahead.

The EU could choose to instrumentalise certain policy areas to navigate a more transactional environment.

The EU has cards to play and considerable advantage in standing alone against Trump's onslaught against climate action. It is time for clarity and purpose.

(16) Strategic Perspectives, 'The imperative to redefine EU energy security', 24 April 2025 (https://strategicperspectives.eu/the-imperative-to-redefine-eu-energy-security/).

(17) 'Spanish business thrives while bigger European economies stall', *The Economist*, 16 April 2025 (https://www.economist.com/business/2025/04/16/spanish-business-thrives-while-bigger-european-economies-stall).

(18) EMBER, 'EU gas demand set to drop by 7% by 2030, making new gas investments risky', 17 June 2025 (https://ember-energy.org/latest-updates/eu-gas-demand-set-to-drop-7-by-2030-making-new-gas-investments-risky/).

(19) CREA, 'Russian LNG exports to the EU: implications for the US LNG market', 25 April 2025 (https://energyandcleanair.org/presentation-russian-lng-exports-to-the-eu-implications-for-the-us-lng-market).