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# TRUMP'S TRADE WAR AGAINST EUROPE – JUST A THREAT OR REAL INTENTION?

## ABSTRACT

The purpose of the study is to prove the following thesis – Trump's statements about a trade war are more of a threat than a real intention. Through this threat, he aims to achieve other, political goals. It reveals how economic goals are achieved through political pressure. And – conversely, how political goals are achieved through economic pressure. The authors' opinion is that through the threat of a trade war, the Trump administration aims for Europe to wage war against Russia without the participation of the United States. It is shown how dangerous this strategy of the Trump administration is for us, the Bulgarians.

**KEYWORDS:** trade war, economic goals, political goals, world war, US military budget, Kondratiev waves

**JEL:** A14, C22, E32, F21, F44

## INTRODUCTION

The accession of the new US President Donald Trump has created conditions for a change in the international situation and trade agreements. As a result of the change in US policy, we are witnessing a review of trade relations between the US and the EU. In this direction, the authors set themselves the goal of establishing to what extent the new US course will turn into official targeted actions and will violate the established system of rules of international trade. The authors apply statistical methods with which they try to prove the influence of US policy on the economic indicators of the US and European countries. The study and analysis of economic indicators is carried out through the prism of the Kondratieff long wave concept, with the authors criticizing the theory and the extent to which it can explain the changes taking

place. The results of the study show a direct relationship between the long-term economic development of countries and the world economy, and on the other hand, the economic indicators of the US and European countries. In the first months after taking office, Donald Trump set about fulfilling his campaign promises, the most important of which was to make America great again. Part of his actions was to make territorial claims to other countries – Canada, Panama, Denmark. But another part of his actions was to introduce economic measures, mainly increasing import tariffs for many countries in the world. This action of his directly affected the economic interests of the European Union. This is a natural continuation of the trade war that the US has been waging against the EU for years.

## 1. LITERATURE REVIEW

After Trump's inauguration and his threats of a trade war in many directions, including with Europe, a discussion immediately began in the public sphere about where this trade war could lead. The prevailing opinion is that a trade war will bring harm to everyone involved in it.

In his article “Who will win in the USA-EU trade war?”, Arthur Sullivan refers to the opinion of the Swede Cecilia Malmström, the European Commissioner for Trade in the period 2014-2019. She notes that anyone who thinks that one of the countries participating in the trade war can win is mistaken. “In this game, only both sides can lose.” And that ordinary citizens lose the most due to price increases, inflation, job losses and reduced economic growth. (Sullivan, 2025)

In his article “The USA-Europe Trade War Threatens \$9.5 Trillion in Economic Ties” Alexander Pikalo reports extremely worrying facts about the expected consequences of the trade war, as the two economies are strongly intertwined. The volume of trade between the USA and Europe is \$1.3 trillion, and services – \$750 billion. European subsidiaries in the USA have sales there of \$3.5 trillion. And subsidiaries of American companies in Europe – sales worth \$4 trillion. (Pikalo, 2025) The trade war will harm mutual investments, significantly hinder the supply of components for industry from Europe to the USA and vice versa, etc.

European politicians are also joining the discussion. They are trying to “tame” Trump. At the informal summit in Brussels, EU High Representative for Foreign Affairs and Security Policy, Kaja Kallas, calls on both sides to show restraint: “We need America and America needs us,” she says. Polish Prime Minister Donald Tusk has said that trade wars are always a mistake. “Poland will certainly be the country that calls for prudence and caution. But we must also make it clear that any plans to impose tariffs and wage trade wars are a complete mistake.” Finnish Prime Minister Petteri Orpo is more accommodating: “We are prepared for this. I am against starting a (trade) war. Instead, we should negotiate.” German Chancellor Olaf Scholz has been the most forceful: “As a strong economic zone, we can respond to customs policies with customs policies. This is what we have to do and we will do it”. (Lilov, 2025) Germany's willingness to retaliate is understandable. Trump is making threats to Europe, using the large deficit that the US has with Germany as an excuse. By presenting this deficit as an “unfair” trade practice.

## 2. RESULTS

In our opinion, Trump's statements are more of a **threat** than a real intention. Through this threat, he aims to achieve other, **political** goals.

### 2.1. Why do we think so?

a) Because historical practice has proven for centuries that trade wars inevitably lead to losses for both sides. Let us recall, for example, the “Great Depression” of 1929-1933. One of the reasons for its outbreak was the trade war that Great Britain started against the United States.<sup>i</sup> Does Donald Trump need to pull the devil by the tail?

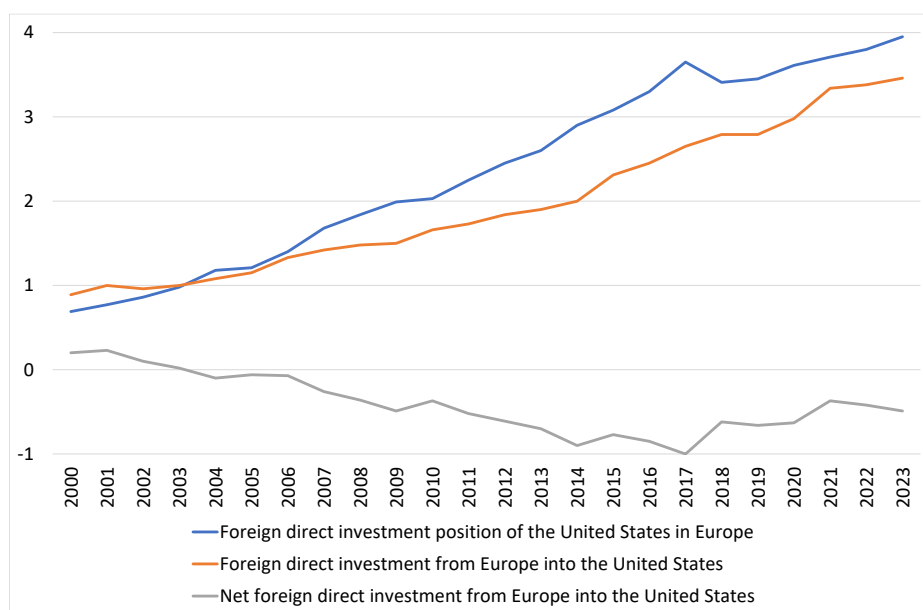
b) American elites are “fakirs” in using **politics** to achieve **economic** goals. And vice versa – using economic pressure to achieve political goals. For example, after the accession of Crimea to the Russian Federation, through political pressure, the United States forced European countries to introduce a sanctions regime against Russia. This regime “intensified” after the start of Russia's Special Military Operation to liberate the nationalist-occupied territories of the former Ukrainian regions of the Donetsk and Luhansk People's Republics that joined the

federation. The result of the political pressure of the Americans is that currently, European countries are buying oil and gas from the United States at prices many times higher than the prices at which they bought from Russia. Further on – in the third part of the article, we will show what political goals we believe the United States wants to achieve through its threats of a trade war against Europe.

c) The American elite is well aware that the deficits of the United States with other major economies are a **natural consequence** of its position as the center of world trade. Accordingly, of the position of its currency – the dollar, as the currency with which world financial transactions are carried out. Which gives it the opportunity to “exhaust” a significant part of the Gross Domestic Product of other major economies. The American economy is parasitic on the world economy. The deficit is only a consequence of this fact. The deficit cannot be overcome through trade wars. And from the point of view of the American elite, this is not desirable. Through threats in a purely economic sense, only better conditions for parasitism can be achieved. That is, for an increase in the deficit. By the way, these processes – the transformation of the old center of world trade into a **parasite** – have been observed since the 14th century with the movement of the center of world trade to the West.

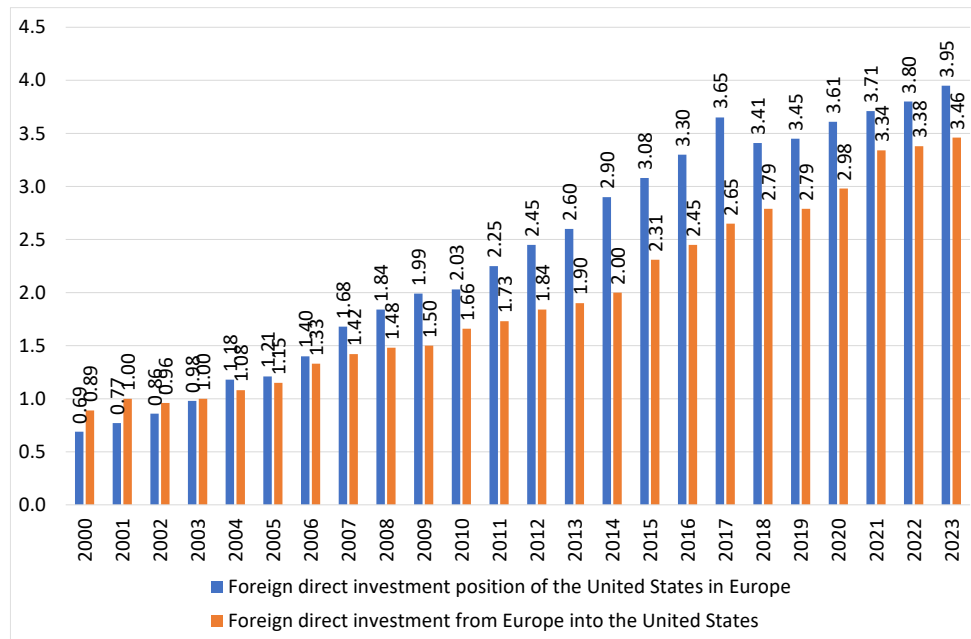
d) The threat of, and the actual waging of, a trade war after 2014 has already had a positive result for the US. See Fig. 1, 2, and 3. They show the dynamics of “Foreign Direct Investment (in trillion US dollars, on a historical-cost basis)” between the US and Europe.

**Figure 1.** Foreign direct investment (in trillion US dollars, on a historical-cost basis)



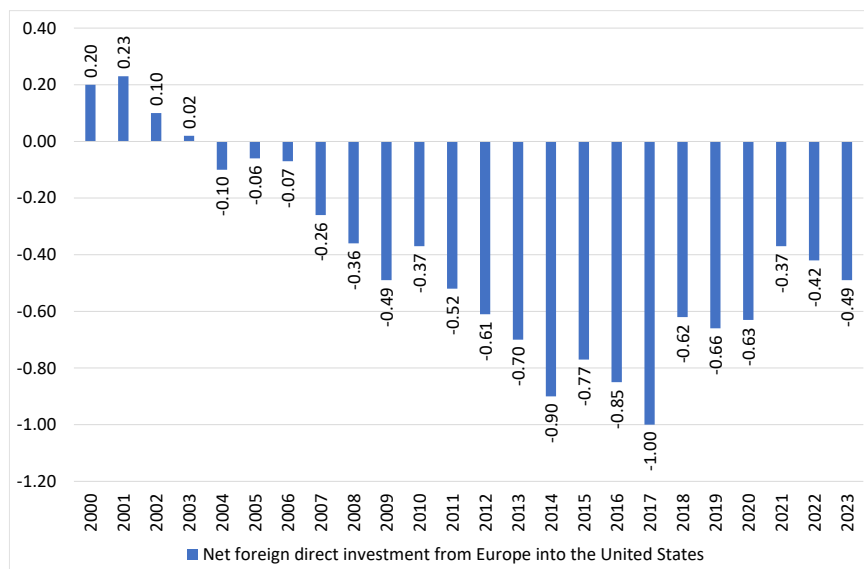
Source: own, based on data from Statista

**Figure 2.** Foreign direct investment (in trillion US dollars, on a historical-cost basis)



Source: own, based on data from Statista

**Figure 3.** Net foreign direct investment from Europe into the United States (in trillion US dollars, on a historical-cost basis)

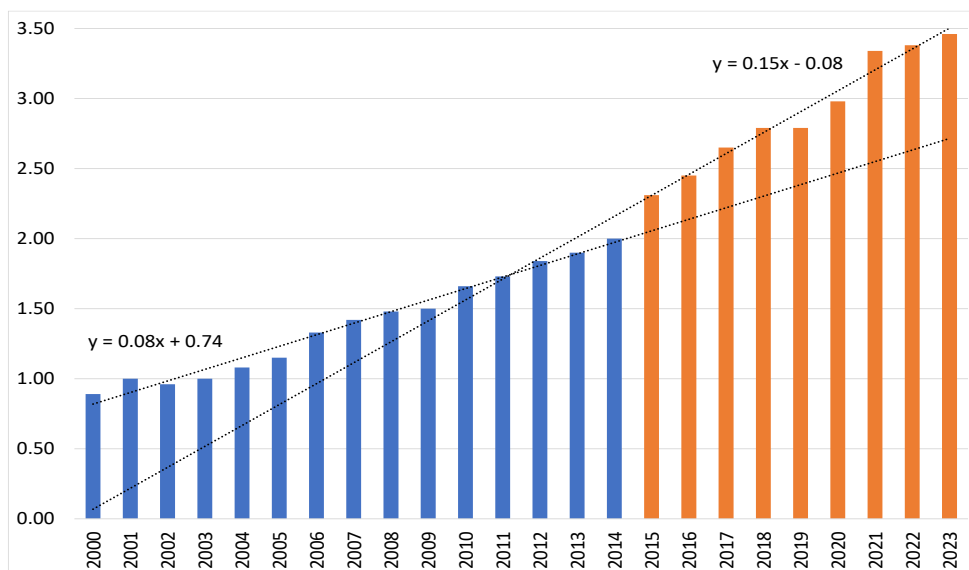


Source: own

It is evident that in 2000, Europe's foreign direct investment in the United States was greater than that of the United States in Europe. But even in the first years, a trend was observed for a faster increase in American investment in Europe than in European investment in the United States. This trend continued until 2014. After 2014, when Crimea became Russian, the trend reversed. The difference in the rate of increase in investment changed in favor of European investment in the United States. This is generally the case. However, during the two presidential terms of the Democratic Party – Barack Obama and Joe Biden – attempts were observed to continue the policy of deindustrialization of the United States. However, the Republicans systematically campaigned and propagated for the reindustrialization of the country. And they

succeeded! The rate at which European investment in the United States increased significantly compared to before 2014. See Fig. 4.

**Figure 4.** Foreign direct investment from Europe into the United States (in trillion US dollars, on a historical-cost basis)



Source: own, based on data from Statista

It is evident that in the period 2000-2014, foreign direct investment from Europe to the United States grew by an average of \$0.08 trillion annually. In the period 2015-2023, foreign direct investment from Europe to the United States grew by an average of \$0.15 trillion annually.

The problem is, however, that this is not the result of any objective economic processes; It is not the result of any “rethought state policy of the Republicans”, although such a moment undoubtedly exists. The more important factor is that after 2014, through **political pressure**, the USA forced European economies to abandon cheap gas and oil from Russia and buy their expensive hydrocarbons. Accordingly, the production costs of corporations located in Europe increased significantly. American corporations began to return to the USA. European corporations themselves also began to do this.

What is the situation now, at the beginning of Trump’s second term?

## 2.2. What is happening now?

The fact of Trump’s election, and by such a large margin, caused **stress** among European leaders. After his inauguration, the “bad” became even “worse”. As expected, he did not “deign” to go to the “signature” meeting for the elites in Davos at the “World Economic Forum”. But he told them via video conference what he thought of them, in particular the European elites. Which shocked them. He accused European governments of complicating imports from the US, through high tariffs and interest rates; That tax levels in the European Union are high; That their defense spending is low and should soon reach 5% of Gross Domestic Product; That the war between Ukraine and Russia is an internal European affair, and it must be stopped, while in the meantime, European countries must cover its costs. That he personally will do everything possible, through negotiations with Russia, to end “this absolute field of death”, this “slaughter”.

Elites are shocked to hear that Trump is planning to annex Canada, Greenland, and the Panama Canal to the United States.<sup>ii</sup>

They were in even greater “shock” after US Secretary of Defense Pete Hegseth declared that Ukraine could not return to its borders before the start of the Russian invasion. And also, that it is impossible for it to join NATO.

A week later, US Vice President JD Vance gave a speech in Munich at a security conference. He “thickens the dark colors” even more. Instead of talking about US solidarity with Ukraine, as European leaders expected, JD Vance harshly criticized European elites. He accused them of not following the will of their people, cancelling elections, ignoring religious freedoms, and not taking measures to stop illegal migration. He also blamed them for Britain’s abortion laws, the cancellation of elections in Romania, and the restriction of freedom of speech, etc. After the speech, Kaja Kallas said on the sidelines: “As I listened to the speech, I had the feeling that they wanted to fight with us, and we don’t want to fight with our friends.” Former senior officials in the Biden administration also assessed JD Vance’s speech in the same – extremely negative – way. At the opposite pole are Donald Trump and Elon Musk, who publicly support the speech.

The appearances of Pete Hegseth, JD Vance, and also many appearances by Elon Musk show that there is currently a strong core of like-minded people around Donald Trump. They are young, energetic, fearless, and ambitious. They are committed to the idea of making “America great again”, to returning **normality** to the world. But is this possible?

### 2.3. What are the prospects?

On the one hand, it is a fact that **normality** is already returning. Trump is cutting multibillion-dollar programs for US intervention in the development of other countries, for supporting the LGBT community (lesbian, gay, bisexual, transgender people), and is resolutely moving towards improving relations with Russia. He is clearly stating to Ukraine and the EU that the uncontrolled spending of American money on the war is over. A top-level meeting between the US and Russian delegations is taking place in Saudi Arabia to end the war. A meeting between Trump and Putin is being prepared. Representatives of the EU and Ukraine are demonstratively not invited to the meeting in Saudi Arabia. Which is causing their “anger.”

It is obvious that Trump will not allow the current World War III to move to the nuclear phase during his term.

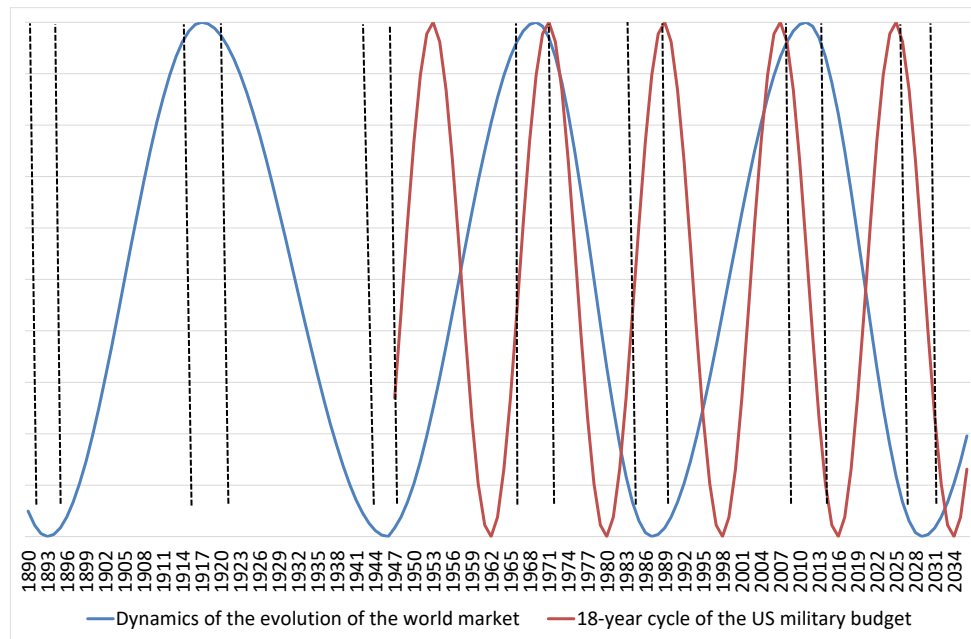
On the other hand, however, expectations for “normality” and the prevention of nuclear war should not be excessively high. Why?

Because the world is currently in the phase of world wars. After the industrial revolution in Britain at the end of the 18th century, always in the first half of each century, two world wars decide the clash between the old center of world trade and the new contender. In the 21st century, the old center of world trade is the USA. The new contender is China. Russia is once again assigned, as in the 19th and 20th centuries, the role of arbiter in this battle (Petrov, Tsonkov, 2025; Tsonkov, 2023).

Our studies of the dynamics of the world economy and the US military budget show that in the next ten years our optimism should be moderate. See Fig. 5.



**Figure 5.** The long waves of the world economy and the dynamics of the US military budget



*Source: own*

It is evident that during this period, there are two trends with contradictory impacts on the probability of nuclear war:

- There is no doubt that during this period, when the US military budget is in its downward phase, there is a tendency to reduce the probability of nuclear war. As we have repeatedly said, during the downward phase of the dynamics of the US military budget, the American elite does not start major wars. It starts wars, but not major ones.
- At the same time, it is evident that during at least half of this period (for example, 2026-2030), there is the bottom of the transition from the first to the second Kondratiev waves (Malešević, 2022; Hecht, 2023; Wang & Chu, 2025) in the current cycle of evolution of the world market. Namely, when there is the bottom of the transition from the first to the second Kondratiev waves in each cycle of evolution of the world market, there is a world war that is **decisive** in the battle between the old center of the world market and the new contender. In the first cycle – the national liberation revolutions that swept Europe in 1848, and in the second cycle – the Second World War 1939-1945. So, the dynamics in the evolution of the world market increase the probability of the nuclear phase of the current world war.

The contradictory impact of the two trends will determine the course of the currently hot phase of World War III. Even if it does not reach a nuclear phase, in any case, the period 2026-2035 will not be calm.

We believe that the unfolding “battle” between the new Trump administration and the European elites will most likely lead to a deal between them. The two global power centers behind them will most likely agree on a **limited nuclear war** between Europe and Russia.<sup>iii</sup>

A number of statements by European leaders holding senior positions in the governance of the European Union and NATO suggest the presence of a similar attitude. Initially, the EU has a negative attitude towards Donald Trump. It was so during his first term. It is so now. But it is clear that after his convincing victory, they are beginning to “come to terms” with his “inevitability”, and with his policies.

Kaja Kallas, the EU's High Representative for Foreign Affairs and Security Policy, stated: "The European Union must increase its defense spending to 'prepare for the worst' and to be able to defend itself 'alone if necessary' against a belligerent Russia."

The opinion of the new European Commissioner for Defense and Space, Lithuanian Andrius Kubilius, is no different. "The European Commission should help prolong the conflict in Ukraine to restrain Russia while it (the EU) prepares for war in the next five years!"

These two senior EU officials are "inventing" a **non-existent** "danger" from Russia for the EU. Why would Russia attack the EU? For territory? No! Russia is the largest country in the world by territory! To place its overpopulation in the conquered territories? No! Because Russia's population is decreasing and it is a sparsely populated country! To seize natural resources? No! Because Russia is the richest country in natural resources!

No less aggressive is Mark Rutte, Secretary General of NATO. Even before Trump's inauguration, he told security experts in Brussels that "Russia has long been waging not a covert but an open war against NATO countries." And that "... it is necessary to change the approach and move to a military mindset to be prepared for possible attacks, including, for example, the use of drones in Europe."

After Trump's inauguration, at the Davos economic forum, he openly stated that the US should continue to support Ukraine, and that Europe **should pay a greater share of the price for military aid**. "The alliance is in crisis," Rutte declared. "We need to invest more in defense. I expect significantly more than 2%. And we need to increase military production and take on a greater share of the costs of supporting Ukraine." He also stated that Ukraine's full membership in NATO is the easiest way for Ukraine to establish a sustainable peace.

From the quoted statements, it is clear that senior European officials accept Trump's strategy. And it is entirely to the **benefit** of the United States. And to the **detriment** of Europe, as it hides numerous **risks** for the European future:

- What does it mean that the US continues to arm Ukraine, and Europe pays the price? It only means one thing – that the American military-industrial complex is being stimulated with the money of European taxpayers. At the same time, the purchasing power of the European peoples is being reduced, and the European economy is being pushed into recession. Apart from that, this means the continuation of the extermination of the Slavic population in the Ukrainian and Russian lands.
- What does it mean for the EU to increase its defense spending to be able to defend itself "if necessary"? It means the same as the above – stimulation of the American military-industrial complex and poverty and misery for the European peoples. And one more thing! The leaders of Europe are ready to start a war against Russia, without the participation of the USA. This is terrifying! Because it is obvious that the two main warring camps of the Anglo-Saxon and Jewish elites are moving towards a **consensus** – to sacrifice Europe in the horror of nuclear war. Putin has repeatedly stated that Russia cannot defend itself in a conventional war against the economic and military power of Europe, which surpasses Russia's many times. "But we, he says, have nuclear weapons. And when Russia's existence is threatened – we will use them!"

It is unnecessary to explain why senior European officials intend to plunge Europe into the horror of nuclear war and to please the American Anglo-Saxon and American Jewish elites, and also to please the British Anglo-Saxon and British Jewish elites. We are witnesses to the venality of the Bulgarian political elite. So, the venality of the European elites cannot surprise us. More important is the other thing! Namely, why are the British Anglo-Saxon and British Jewish elites integrated with the Han elite ready to make a deal with Trump? And why is the



aggressive part of the American elite – the so-called “deep state” – also ready to accept this deal? Because if these two factions of world capital did not agree with the deal, then senior European officials would not have made the above statements. And how much can this deal postpone in time the war between China and the USA? Because it is this war that can determine which of them will be the center of world trade during the next cycle of evolution of the world market.

- The British Anglo-Saxon and British Jewish elites integrated with the Han elite, the so-called Rothschilds, are ready to make a deal with Trump, since China’s nuclear power is currently many times smaller than that of the United States. They failed to ignite a nuclear war between Russia and the United States. And postponing the nuclear war increases the likelihood that the war will be between China and Russia. This is an absolutely **unacceptable** option for them. So, a nuclear war between NATO and Russia on European territory is an acceptable option for them. Moreover, the “dismemberment” of Russia is a centuries-old dream for them. At the very least, the gold of Europe and Russia will flow to their banks. Not to mention that part of Siberia will also go to China.
- The aggressive part of the American elite – their military-industrial complex, the oil and financial businesses, the so-called Rockefellers, will also benefit from a war between Europe and Russia. The gold of Europe and Russia will also flow to them. By the way, as happened in the First and Second World Wars. In addition, the nuclear bombs will fall on a territory very far from the territory of the United States. So, for them, this option, in which the nuclear bombs do not fall on the territory of the United States, is also acceptable.
- The question remains to be answered – how much this **deal** can postpone in time the war between China and the USA. It seems to us that this question can be answered only after the results of the nuclear war between Europe and Russia are seen. It will take place in five years at the earliest. This is the period that the new European Commissioner for Defense and Space, Andrius Kubilius, announced as necessary for Europe’s preparation for the war with Russia.

## CONCLUSION

About ten years ago, in articles and reports, I expressed the thesis that Trump is not a jester, but a chance in world politics. Currently, this thesis of mine has already been confirmed. Alas, the chance that is given with Trump’s victory does not concern us, the inhabitants of Europe. And specifically, us, the Bulgarians! Because, unlike the Serbs, Hungarians, Slovaks, Turks and many other European peoples, we are actively participating in the war against Russia. The only way for the young working-age generation to save themselves and their children is to oppose our participation in the war against Russia. The American people succeeded. Many European peoples also do not participate in the war against Russia. Hopefully, young Bulgarians will also succeed in extricating us from this horrific war!

And the answer to the question in the title is – a **threat** that has already worked. The British Anglo-Saxon and British Jewish elites, under whose control the European elites are, are already ready for a deal with Trump. But the deal is yet to come. So, the threat could turn into a real policy of trade war if the European elites start to “run away” from the deal.

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## Endnotes

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i Of course, the trade war between the UK and the US is only one of the reasons. But it is still an important reason to note.

ii In our opinion, Canada's accession is a "false alarm", but the accession of Greenland and the Panama Canal may be Trump's very real intentions.

iii The two global centers of power are: a) the British Anglo-Saxon and British Jewish factions integrated with the Han elite, invested in the economies of East, Southeast, and South Asia; b) the American Anglo-Saxon and American Jewish elites invested in the United States.