

Valdis Dombrovskis
Executive Vice-President of the European
Commission for “An Economy that Works for
People”
Rue de la Loi 200
1040 Brussels
Belgium

Brussels, 10 April 2025

Subject: An “Amazon Tax” should be the EU’s response to US tariffs

Dear Executive Vice-President Dombrovskis,

With the escalating trade tensions between Europe and the United States, European Commission President Ursula von der Leyen announced a “strong plan to retaliate” on 1 April, which could target the US’s 109 billion euros trade surplus in services.¹ Our European trade union federation UNI Europa, which represents 7 million services workers as a European social partner in 15 EU sectoral social dialogues, calls on the European Commission to respond to US tariffs with an “Amazon Tax”. This would be a comprehensive digital services tax on digital giants to level the playing field and protect Europe’s social model.

US digital companies in particular enjoy unfair economic advantages within the European Union. These include not just the companies’ ongoing tax benefits, but also their unfettered access to European taxpayers’ money through public contracts. Amazon is the most egregious example of this double injustice.

Amazon paid no taxes in 2022 despite revenues of over €50 billion, marking the fifth consecutive year without a corporate tax payment in its Luxembourg headquarters.² The European Commission has previously identified that Luxembourg granted Amazon illegal tax benefits, resulting in the company avoiding taxation on nearly three-quarters of its EU profits. Although a 2017 ruling required Amazon to repay €250 million back in taxes,³ subsequent court decisions have overturned it, allowing Amazon to continue benefiting from these unfair advantages.⁴ Across Europe, major US digital companies pay an average tax rate of approximately 9.5 per cent, while its European competitors are subjected to tax rates two and half times higher.⁵

US digital companies like Amazon do not just pay barely any taxes, they also receive large sums of money from European taxpayers through lucrative public contracts. Amazon Web Services, the company’s cloud services arm, has won over 1.3 billion euros in public tendering between 2019 and 2021 and almost 30 million euros for contracts with different

EU Directorate-Generals from 2020 to 2022 – according to UNI Europa’s own research based on the latest publicly available data.⁶ This is likely just the tip of the iceberg. With these funds, Amazon cross-subsidises social dumping in its logistics and e-commerce operations.⁷

Through these double advantages – low taxes and lucrative public contracts – we believe the company continues to enjoy unfair economic advantages over many of its European competitors, most of whom respect fundamental European values of social dialogue and collective bargaining.

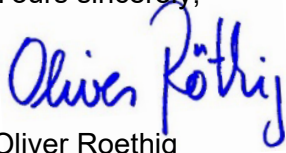
We urge the European Commission to take decisive action to address these disparities by implementing an “Amazon Tax”, a comprehensive digital services tax on digital companies operating within the EU to level the playing field and protect Europe’s social model based on social dialogue and collective bargaining. A study by the Center for European Policy Studies (CEPS) suggests that, at five per cent, such a tax could generate an additional €37.5 billion annually. This is a substantial amount that could be invested into Europe’s economic future and protect its workers from the fallout of the trade war.⁸

I trust that the European Commission will take the necessary steps to rectify these imbalances, foster a more equitable economic environment within the EU and protect the European social model.

We would like to ask for a meeting with your office in the coming weeks to discuss the matter further.

I am looking forward to your positive reply.

Yours sincerely,



Oliver Roethig
Regional Secretary

¹ <https://www.euronews.com/my-europe/2025/04/01/von-der-leyen-vows-to-use-all-cards-to-push-back-against-trumps-reciprocal-tariffs>

² <https://www.luxtimes.lu/businessandfinance/amazon-tax-structure-like-something-out-of-a-bond-film-eu/1356136.html>

³ https://ec.europa.eu/commission/presscorner/detail/en/ip_17_3701

⁴ <https://www.bbc.com/news/technology-57089168>

⁵ <https://www.ceps.eu/ceps-publications/towards-a-european-digital-services-tax-renewing-the-momentum-for-a-fair-contribution/>

⁶ <https://www.uni-europa.org/wp-content/uploads/sites/3/2021/10/Amazon-procurement-Europe.pdf>

⁷ https://www.uni-europa.org/old-uploads/2020/09/Final_uni-global-uni-europa-dsa-submission.pdf

⁸ <https://www.ceps.eu/ceps-publications/towards-a-european-digital-services-tax-renewing-the-momentum-for-a-fair-contribution/>