



**GLOBAL TRADE AGENDA -
IN THE NEW GEO-POLITICAL CONTEXT**

Wednesday 20 April 2022

17h00 - 18h30

Virtual Meeting

WELCOME & INTRODUCTION BY THE CHAIR

Prof. Danuta HÜBNER MEP, (EPP Poland) International Trade Committee & EU Chair of the Transatlantic Policy Network Advisory Steering Committee

I would like to welcome all colleagues who join us from the European Parliament and Zaneta Vegnere, Deputy Head, Cabinet of European Commission Vice President Dombrovskis, and our European manufacturers who join us for this timely debate and we have also a representation from national association of manufacturers in the United States.



I know that my role is to organise this debate but I would like also to use this opportunity to share with you some of my concerns before we start the discussion, because we are, as you know, halfway through the European Parliament institutional mandate and also the European Commission. And the Trade Policy agenda as well. That is why it is so important that we have a member of Vice President Dombrovskis Cabinet with us.

We are in the middle of this mandate on trade policy agenda as well and normally it is a stocktaking moment.

We normally, at this stocktaking moment, look at what we have done, and what we are planning to do. But now, it has to go beyond the normal. We have to look at the geopolitical dimension of trade policy and how we can cope now with the sustainability, how we can also cope with that strategic dependency that is shaping it and we need to look at supply chains more broadly.

It is a more long-term concern, than it was in the pandemic context. We need to look at balancing between the openness to which, I hope, we will continue to be committed. And we know that without the openness there is no competitiveness.

The strategic autonomy, on the other side, is understood, as are freedom of choice and also our right to regulate.

We realise, today that:

- our international partnerships always important, now are even more important than before.
- trade must be underpinned by adequate rules globally.

And sanctions imposed on Russia have been unprecedented. We also see that much of the business world has voluntarily terminated its relationship with Russia. There are implications for our economy and companies, especially the one who already have crossed the road, have been impacted.

I think this new situation brings also new dimensions to the transatlantic partnership and relationships which I think I can say have never been so close and especially the Trade and Technology Council has opened a completely new space for cooperation, which is really well utilised by both sides.

The economy complexities, I think, will remain with us for a long time. That is what brings us together.

Also, in regulatory areas we must take the lead in our role as leading regulators, and here the Commission is extremely important. Working together to a global openness to trade. Of course, what we know we have ahead of us is mostly uncertainty.

I think that the current aggression is for us all a defining moment to understand what a global world is needed to make international trade an investment work for all those who remain committed to cooperation. I hope that we are a group of people who are committed to cooperation.



Žaneta VEGNERE, EUROPEAN COMMISSION, Deputy Head, Cabinet, Executive Vice-President Valdis Dombrovskis

It is a great honour to address you at this crucial moment in time. The world is changing under our eyes. Russia's invasion of Ukraine puts all our old certainties into question. In parallel, we must look at the wider geopolitics. How will the new reality influence the EU's trade agenda?

Uncertainty is high. Yet, there are some "lessons learned" which are emerging.

First, the war has given a renewed purpose into the concept of likeminded alliances. They are guided by shared values. In the coming months, the West will have to cooperate very closely, in areas such as energy prices, food security and farming as well as supply chain disruptions.

And inflation. We are facing high energy prices, and we will be exposed to market volatility also for food and other commodities.

In the euro area, inflation rose to an all-time high of 7.5% in March. And the burden on our people and businesses is growing. We will need to align closely, both within the EU and with our partners, on how we best manage it.

We expect the EU economy to slow but not stall.

Clearly, there is an economic price to pay if we cut loose our ties with Russia. But this is a price worth paying in defense of democracy and the right of sovereign nations to self-determination.

It is a price worth paying to preserve European and global security.

The war has boosted transatlantic alliance, Canada included.

Also the deliverables of the next EU – US Trade and Technology Council (TTC), which will take place on 15 – 16 May in France, will be influenced by the ongoing war.

Concepts such as trustworthy and reliable trade, reliable sources of strategic supply and others will be developed. A couple of examples to illustrate this.

With Russia's aggression against Ukraine, there has been unprecedented cooperation between likeminded partners on dual use and export controls. It makes it possible to explore making this cooperation deeper and structural. These are good news for European companies.

Joint leadership on technologies is another example where the cooperation potential is very strong.

It is about responsible use of technologies, which includes working together on policies, standards and technology governance that is based on shared values. This is especially true when it comes to critical and emerging technologies, such as AI, quantum computing, 5G and 6G.

The TTC has solid focus on secure supply chains where efforts are literally redoubled to include focus on rare earth. Many of you are already working on diversifying away from Russia for raw materials such as palladium, titanium and nickel.

This brings me to the second point: in my view, there is renewed momentum for bilateral trade agreements.

In general, the successful sanction coordination amongst allies have contributed to a general acknowledgment that the EU is stronger when working with partners.

Russia's military aggression on Ukraine has brought to the fore the EU's longstanding dependence on external supplies of a series of raw materials.

So we need to solve a short-term dilemma of how to ensure secure, affordable and diversified supplies of raw materials from third countries in case of disruption of imports from Russia.

It is true that in a longer term, solutions such as enhanced EU production capacity and recycling could be promoted.

But in short term, trade policy can be a catalyzer for fast diversification. New and existing trade deals, such as with Australia and Canada, can help us achieve this.

Free trade agreements are also key for the EU's climate and sustainability agenda, for example, if we wish to secure global leadership in green technologies and export our clean tech worldwide. And continue having influence in global standard setting.

My third point would turn to the global institutional architecture.

The swift reaction to Russia's aggression highlights two things:

On the one hand, it proves the necessity and enduring worth of values-based global bodies.

Our sanctions and other actions were conducted in full compliance with the global legal base. So, the machinery still works.

But, on the other hand, we have seen how much these bodies need reform now.

Institutions must be agile enough to respond to deeper geopolitical shifts. And there must be consequences for those who refuse to play by commonly agreed rules.

For the global trade policy, the EU will continue pushing for the WTO reform, including the reform of the dispute settlement.



Giles DICKSON, CEO WindEurope

Wind energy is now 15% of all of the electricity that we consume in Europe. The EU has 190GW of wind farms. The European Commission want us to expand that to 480GW in just eight years by 2030 under the new REPowerEU energy policy.

Nearly all of the wind turbines in Europe are made in Europe. The European wind turbine manufacturing industry is a major industry. It also exports a lot of equipment around the world. 300,000 people work in wind energy in Europe today, and that should be 450,000 by 2030. We have 250 factories making turbines and the components for them across the whole of Europe.

Those numbers all sound great. But unfortunately, the European wind turbine manufacturing industry is in a very bad state of health today. There are three main problems:

1. We are not building the volumes of wind farms that we should be. The rules and procedures for getting permits for new wind farms are too complex. We should be building 35GW a year but we are only building 18GW. This means our factories are only working at 50% capacity.
2. The price of key components and materials that make up wind turbines are going up. The increase in steel prices alone has added 5% - 15% extra to the cost of a wind turbine. Other components and materials are costing more. And shipping and transport costs have also increased.
3. The availability of key components and materials in wind turbines. Alongside their higher prices, global supply chain disruptions increase uncertainty around whether the components and materials needed for wind turbines will be available on time and at the right price. Our supply chain is attempting to hedge against these disruptions and secure continuity for the higher wind volumes Europe wants by 2030.

The result is that of the five wind turbine manufacturers in Europe today, four of them are operating at a loss. And they have been operating at a loss for at least twelve months.

So WindEurope members are closing factories and shedding jobs. Not creating new jobs as we could be. There are structural underlying issues. The war in Ukraine has simply made things worse.

To add to this, China has a very strong wind turbine manufacturing industry. We compete with them in third countries. But they are now starting to win orders for new wind turbines in Europe.

What are the solutions?

1. We must simplify the permitting rules and procedures. There are now encouraging developments at EU and national level on this.
2. We need to keep investing in innovation in wind turbine technologies so that we can keep our technology lead over competitors.

3. The auctions that national governments run for building new wind farms need to move away from the focus on cost and cost alone. They must start to reward the added value that the European wind industry brings.
4. We need coherent EU trade policies. Today they are incoherent. To keep our factories running in Europe, we need to import certain materials and components from outside Europe. But those imports have been subjected to tariffs and quotas which have put up the cost of making wind turbines in Europe.
5. We need EU support for the reshoring of the manufacturing of certain key components and materials that make up wind turbines. Permanent magnets are imported almost 100% from China today for example. But Commissioner Breton has said that he wants 60% of them to be sourced from within the EU by 2030. We should also think about sourcing rare earth materials from within Europe.

Wind energy is a strategic industry for Europe's climate and energy security goals. And we must treat it as such.

Anna-Michelle ASIMAKOPOULOU MEP, (EPP Greece) Vice Chair
International Trade Committee



I will just use a few acronyms to sum up what the global trade environment looks like right now, and how the EU has adapted its agenda to fit. Those acronyms are: IPI – International Procurement Instrument; IFS – Instrument against distortive Foreign Subsidy; ACI – Anti-Corruption Instrument; and CBAM – Carbon Border Adjustment Mechanism.

These are all new instruments that we are in the process of finalising in some way here in the European Union. And they are all defensive trade tools, aimed at levelling the playing field, and fighting back against non-market trade practices and trade weaponization.

This is the world we live in.

I am a freetrader, I am pro market. This is not the agenda that I want to see, but it is necessary, it is overdue, and we have to do it.

And in the midst of all that, we now have war in Ukraine. Now there is a whole debate to have about what this means for the world in political terms, for the world order, but we are here to talk about trade.

And, we are only just beginning to see the tip of the iceberg in terms of the effects of all this. At least, at the consumer level. Whether it is the impact on energy due to Russia's position as a major exporter of gas and oil. Whether it is food prices, as Ukraine's crops are decimated. Whether it is finding alternatives for steel and aluminium exports from Russia and Ukraine.

Russia was the fourth largest exporter of titanium, and we are seeing other players move in now, particularly Japan. This is crucial for the car industry, aerospace, chemicals, medical equipment.

But, all of this disrupts supply chains. All of this disrupts the market. All of this leads to unpredictability and rises in costs. Not a recipe that business wants to see. Certainly not for

manufactures, that are hit early on and often some of the first to have to deal with these new dynamics as they seek new inputs and suppliers.

So, we are going to have to look at some short and medium term remedies for all of this, but if we come back to what this should mean for the wider EU global trade agenda, then it has to be about lessons learnt.

Firstly, that means knowing who our friends are, knowing whom we can rely on, or at least where we can most afford to expose ourselves. For me, that means looking to the US, and re-energizing the transatlantic relationship.

I think if we can take anything positive from what is happening in Ukraine, then it must be a wake-up call that the EU and US always need to stick together. And I think we are seeing an appreciation for that, both in the recent visit of President Biden, and in the work of the TTC.

On the flip side, it means looking at where we cannot afford to have such vulnerabilities. Now that does not mean embracing full-scale independent supply chains. That is not possible. It is not efficient. But it can mean taking steps to insulate ourselves a bit from potential shocks.

And here, I think initiatives like the Chips Act are very important steps -important signals. We need to rebalance in certain key industries, to ensure that we are not beholden to anyone that may wish to use strategic supply chains against us.

We need to be smart about this though, we should ensure that we maintain enough strategic important leads in crucial areas, so that we have leverage to fight back. It does not need to be about doing absolutely everything.



Malte LOHAN, Director General, Orgalim - Europe's Technology Industries

I would like to share a few thoughts from the perspective of Orgalim, representing manufacturers of machinery, electrical equipment, electronics, ICT and metal technology. All combined, that is about one third of Europe industrial base, eleven million direct employees, and about a third of Europe exports.

Zaneta Wegnere mentions that we are going to see the impact of the crisis in Ukraine but it will not fundamentally lead to a downturn for the industry in Europe; I share that assessment. We are still on track in 2022 to grow, less than we would have liked to and we would have been able to, but we will continue to grow probably around 3% in 2022.

Having said that, there was a lot of talk already on the impact on supply chains.

This is the predominant concern right now for our manufacturers and there is certainly a role that the EU's Trade Policy can play, taking some of the pressure off disruptions of the supply chain that we are facing.

Companies are already in the process of diversifying their supply chains.

Russia, Ukraine and Belarus combined are not, in themselves, a huge source of components and other raw material for us, but in certain sectors and certain products they are very important. For steel alone, Russia and Ukraine account for 23% of global supply. So, we need to find those elsewhere.

Ways in which EU Trade Policy can help:

1. First way in which the EU Trade Policy can help is to look at the EU safeguards on steel in the context of this new reality.

Now is the time to suspend the safeguards.

We also would like to see suspension of the antidumping tariffs in Europe for steel.

2. Second important part in which Trade Policy can help is:
Let us make use of the trade agreement that have been already negotiated.

I mention EU MERCOSUR on this particular point.

I know that it is a complicated discussion politically, but we are going to lose credibility in Europe as a trade powerhouse, if we cannot get the Trade Agreement that we have negotiated into the finish line.

In terms of diversifying our access to supply chains, these existing agreements or already negotiated agreements are critical.

We have to find a political will to have them entering into force.

Final point, on expanding the EU's bilateral Trade Agenda, and Zaneta Vegnere mentioned this, and I could not agree more, we need to make more use of opportunities to work with our partners in negotiating new agreements.

Some of those are of course in progress. I would mention the relationships with the United States in this context.

The US/EU Trade & Technology Council [TTC] of course, first and foremost is not about a Free Trade Agreement [FTA]. The other work of the TTC is important but I will really call on all the partners involved including on the US side: let us try to find the political will to also pick up work on an EU-US FTA and to improve market access for our products.

That would be a huge boost for our industries here and we work with Business Europe, CEFIC, ACEA, many others calling on the decision makers to move in this direction. So, the industry is united on this point.

It would be a massive wasted opportunity if we do not think about the FTA agenda also with an eye on the US in the current context.

Miapetra KUMPULA-NATRI MEP, (S&D, Finland) Vice Chair Delegation for Relations with the United States



We are living tremendous times: first the global covid-19-pandemic shook the world and now the war in Europe, Russian attack on Ukraine. The war is a human tragedy. As we speak, millions of Ukrainians have been forced to leave their home country and millions have been internally displaced. Whilst the war has devastating humanitarian consequences, it also has broader ramifications including economic consequences, risk of food security and the increase of energy prices.

The World Trade Organization, WTO, estimates that this year the growth of merchandise trade will be 3%, which is down from the earlier estimation of 4.7 %. However, caution remains around the figures because of the war.

The EU has been firm and united in its response to the Russian attack on Ukraine. So far five sanction packages have been imposed. They encompass among others the exclusion of certain Russian banks from SWIFT and more recently the ban on coal import from Russia and banning Russian vessels entering EU ports.

More needs to be done in the energy sector. It is not possible to impose sanctions with your one arm and keep on financing the war machine of Russia with your other arm. Figure it out - some €750 million a day from EU countries to buy fossil energy. To phase out as soon as possible the dependency from Russian fossil fuels suits more than well to our own Green Deal agenda to build on carbon neutral society, take seriously climate change and what the science tells us.

This brings me to my other point. Whilst much of the attention is on the Ukrainian war, we should look at the global trade environment in a wider context and the overarching global challenges, namely, the climate change and the loss of biodiversity. The climate change and the loss of biodiversity will have detrimental consequences if we - the world together - are not able to curb them.

Finally, as the Vice-Chair of the Delegation for Relations with the US, I want to highlight the importance of the transatlantic relations in addressing the common challenges. All together I see the need for the EU to strengthen its trade relations with democratic parts of the world and partnerships with African countries.

Particularly, I want to emphasize the EU-US Trade and Technology council, TTC, that was established last year and its value in providing a forum for important questions related to, for example, semiconductors, supply chains, artificial intelligence and digitalisation as well as utilisation of the technology to combat climate change and the investment screening.

Let me also underline that inward-looking is not a solution. The pandemic highlighted the interdependency of countries in regards to the supply chains and the vulnerabilities in cases of disruptions. Resilience can be built by diversifying supply chains and companies have done and do that quite well.

Whilst here in Europe we talk about the strategic autonomy, it should not mean protectionism. I see that we should, therefore, talk about the open strategic autonomy in building more robust union that is strong in facing new realities in the global environment in which ambitious agreements on trade, including rules for data, climate and workers' rights are still very much needed.



Fergus McREYNOLDS, Director EU & International Affairs, MakeUK
(Points noted from his presentation)

I think this conversation comes at a vitally important time for all of us and I am delighted to be invited to contribute.

Just a very brief introduction: I am the director for the EU and International Affairs for Make UK and I am based in Brussels, the primarily lead on our relationships with Europe but also the lead on our international relationships as well. I am delighted that my counterpart from the US, Ken Monahan, is joining us today with a strong relationship with the National Association of Manufacturers.

I want to highlight with reference to 'it needs two to tango', that three can dance as well and possibly even four of us – if we include the UK and Canada. I think we are among the four of us: the EU, the US, Canada and the UK, like-minded when it comes to many these things.

I would like to highlight, as we have done in previous EFM meetings, how important the structures of international trade are to the success of manufacturers around Europe, and that include the manufacturers in the UK.

The pandemic has shown us how incredibly linked we are, and how fragile sometimes those supply chains are but equally how resilient they are to change. Recent survey work that we have done with our manufacturers, highlights that over 50% of manufacturers have over fifty suppliers in their supply chains.

This goes to show how complicated and integrated global supply chains are now.

For the UK a large part of that relationship remains with Europe and clearly that would be a highlight in an important relationship. But it is important for us to see how we build this together from the UK perspective into an international coordinated approach which puts Europe at the heart of this conversation with other important international trading partners.

Clearly US and Canada are part of this conversation.

Anna-Michelle Asimakopoulou highlighted this really important issue, which is looking at volatility in international supply chains.

One of the things that we are looking at now is that, while we have enjoyed during the last forty years or fifty years a pretty stable international trade growth, and a really stable organisation brought through from GATT and through to the establishment of the WTO.

Actually, that stability is now more unusual and volatility is becoming more of a norm. We saw that before the pandemic broke out, and actually the last decade has really been a story of volatility.

Thinking forward I think we need to change our assumptions: this volatility is here now to stay. We need to actually manage this volatility rather than look forward to a period of stability going forward.

What that means for manufacturers is looking at trade policy but also looking at internal policies and taking a slightly different approach.

Are we going to look at actually the lean processes that we have had and create greater diversification? And I think that Zaneta Vegnere really highlighted the importance of us doing that and working with our international partners, to make sure that we have that diversity in our supply chains in the order that we can manage that volatility.

Finally, I will conclude with the comment is about the importance of working with likeminded trading partners.

I think a term that is becoming much more of a household phrase and something which is really important for us to explore in more details which is the concept of 'Friendshoring'.

This is not necessarily bringing supply chains closer to home but bringing supply chains and working collectively and collaboratively on international trade policy with those who are likeminded.

I think that is part of what we need to do here, and the Transatlantic Technology and Trade Council is key to that European and US relationship.

The UK- US dialogue on the future of trade is important as well.

The one call from me is that we combine these conversations, and that we bring those dialogues together so that we have a communality of approach.

I finally conclude with the remarks which is perhaps a more domestic focus which is that I recognise that part of that conversation starts in London. As MakeUK, I want to highlight that we are making sure that we have that strong message with our government in the UK. That actually international trade and the importance of creating a global system for our supply chains starts with having a constructive and sensible relationship with Europe.

We are hopeful that that is the direction of travel and that the different changes that we have seen with the relationship in Europe being brought into the UK Foreign Office and aligning it with a long term strategic aim of our international cooperation is a good point.

But I recognise that these messages, not just for our European and US counterparts are also something which we need to continue to talk to the UK government about.

Maria GRAPINI MEP, (S&D, Romania) Vice Chair Internal Market Committee

We must face the challenges created by the new geopolitical context of the war in Ukraine through concrete actions. European leaders agreed at Versailles summit to strengthen the Union's economic resilience, drastically reduce our energy imports from Russia and strengthen the Union's security and defence.



The Union must ensure its independence in the operation of supply chains within the Union, in particular as regards medicines, raw materials, food, fuel, etc. The Union needs an industrial strategy to ensure that European industry is no longer dependent on products from third countries, especially in crisis situations, so as to ensure the prosperity of European citizens. With regard to transport, following the economic sanctions imposed on the

Russian Federation, we have seen an increase in fuel prices at European level, which inevitably leads to an increase in product prices in general.

The impact on the market for cereals, wheat, maize, sunflower and fertilizers, for which Russia and Ukraine have been major exporters, will also be significant. The prices of basic agricultural products were already high. They are likely to grow even more, with great potential to create suffering and political instability.

The European Commission has proposed a plan to ensure Europe's independence from fossil fuels from Russia long before 2030, called REPowerEU starting with natural gas. The plan sets out a series of measures to address rising energy prices in Europe and replenish gas stocks for the coming winter. REPowerEU will seek to diversify gas supplies, speed up the roll-out of renewable gases and replace gas in heating and the power generation. I also believe that we need to increase our purchases of liquefied natural gas (LNG) from suppliers such as the USA, Qatar, Norway etc.

Last but not least, I believe that there must be a level playing field in the internal market, so that third-country companies can cooperate with European companies and operate within the EU, but in compliance with European Union law and standards. At the same time, the Union should encourage the competitiveness and development of European companies in strategic sectors in order to reduce their dependence on imports, especially in times of crisis. I believe that globally, all countries will have to rethink their trade relations and will have to create new partnerships with other countries in order to avoid trade with Russia. In conclusion, I believe that we must learn from the current economic crisis and join forces to increase European autonomy in strategic value chains.

Pauline BASTIDON, Chair FoodDrinkEurope's Trade Expert Group

FoodDrinkEurope is the organisation of Europe's food and drink industry, one of Europe's largest manufacturing sectors, a leading employer in the EU, and a key contributor to the economy (289,000 companies, 99% SMEs, 4.5 million employees). Its membership consists of 25 national food and drink industry federations, including two observers (UK, Norway), 26 European sector associations and 23 major food and drink companies.



Ensuring the safety, protection and wellbeing of employees is the number one priority for European food and drink companies with operations in the region. Many food and drink companies are also involved in humanitarian aid support in Ukraine and neighbouring countries.

As a sector essential to providing food and drinks, Europe's food and drink companies are working hard to ensure continuity of supply across the European region and beyond.

In 2021, EU food and drink exports to Ukraine totaled €2.3 billion, and to Russia, €5.2 billion. While being large consumer markets for food and drink products, both Ukraine and Russia are also key global suppliers of agricultural raw materials - for barley, maize, sunflower, wheat, and sunflower oil - also used in food manufacturing - not to mention fertilisers and, in the case of Ukraine, packaging material (from glass bottles to aluminium for caps & cardboard and paper).

As EU food and drink manufacturing companies and supply chains do their best to adjust to the crisis, we would like to highlight some of the key challenges operators face today and outline how

policy makers could help mitigate some of the risks and support affected food and drink business operators (FBOs).

Key challenges

- Logistical difficulties through the closure of Ukrainian ports, transport routes, decisions of freight carriers to halt operations to / from the region and difficulties in getting insurance for shipments.
- Sanctions and trade flow disruptions with Ukraine and / or Russia are already causing:
 - Supply shortages / restricted access to agricultural raw materials traditionally sourced from the region (eg. sunflower oil from Ukraine)
 - Pressure on availability & price of packaging materials traditionally sourced from the region (eg. glass bottles, paper, wood pulp, and aluminum)
 - Reduced EU exports (due to a reduction or a halt in exports to the region) and cashflow/liquidity difficulties, particularly for European SMEs (due to shipments left unpaid and sudden loss of exports).
- High and still rising input costs:
 - Agricultural raw materials
 - Energy
 - Packaging
 - Transport
 - Fertiliser

Some recommendations to mitigate the risks (short to medium-term)

- Address logistical difficulties with the region and establish green lanes to facilitate the continued flow of agri-food products. This will be critical in ensuring products and supplies reach their intended destination, including people in need, and more generally to secure continuity in agri-food supply chains.
- Clear guidance by the Commission on sanctions imposed against Russia and Belarus and the exemptions for agri-food products, as well as about any Russian countermeasures (including English versions of adopted measures) is necessary.
- Granting harmonised temporary flexibility for the labelling of products containing ingredients that need to be replaced due to supply chain disruptions (eg. products containing sunflower oil). There is need for a harmonised and pragmatic approach across the EU to guarantee free movement of goods.
- Ensure FBOs in the EU food and drink manufacturing sector can access appropriate support and assistance at EU and Member State level. The current conflict will most likely exacerbate the inflationary pressures already felt by food and drink manufacturers and supply chains during and post-COVID, particularly as regards the sharp increase in energy prices, transport costs, packaging, and agricultural commodities.
- Support in finding new sourcing options and export markets:
 - Consider launching the procedure for temporary tariff suspension to facilitate alternative sources of supply from third countries. To counter any market disruptions and anticipated shortages of certain agricultural raw materials (e.g. vegetable oils) in the short term, it may be necessary to activate this mechanism to maintain security of supply.

- Continue strengthening the Transatlantic relationship and permanently solve EU-US trade disputes to ensure that retaliatory tariffs on agri-food products do not make an unwelcome come back in the future.
- EU to pursue an ambitious Free Trade Agreement (FTA) agenda focused on high potential markets for agri-food products
- EU should invest more resources in the market access agenda, to shorten response time and increase efficiency and coverage and reinforce the market access partnership by making the most of the wide network of EU Delegations and Member State embassies.
- Cooperation with industry should also be reinforced, making the most of appropriate bilateral and multilateral opportunities and fora.
- EU to increase regulatory cooperation with a wide range of third countries.
- The EU Promotion Policy is a useful tool and the organisation of more High-Level Missions to third countries, such as the next one to Vietnam and Singapore in July 2022, should be considered.
- The Export Promotion Seminars organised by DG AGRI complement usefully the regulatory dialogue taking place between the EU and third countries and further investment in the development of exporter guides would be welcome.
- Understand strategic dependencies, facilitate scenario planning and contingency strategies in relation to imports of raw materials and the identification of alternative export markets. Diversification is the best tool at our disposal to increase resilience, both in terms of sourcing options and in terms of potential markets for EU products. To help substantiate and inform current discussions on strategic dependencies and vulnerabilities, particularly in the context of the European Food Security Crisis preparedness and response Mechanism (EFSCM), we encourage the Commission to conduct a swift and thorough mapping of risks and vulnerabilities of the EU food supply chain, in partnership with industry.

Ken MONAHAN, Vice President, International Economic Affairs, National Association of Manufacturers, Washington DC

I head our international trade policy advocacy and the National Association of Manufacturers works for the success of the more than twelve million men and women who make things in America and their families. We represent more than 14,000 members, large and small, from every sector, with a total of \$6.8 trillion in revenues and over 85% of U.S. industrial output.



I am going to talk through four points today that underscore the importance of international trade policy as we tackle shared challenges and promote our shared values.

1. International trade is at the centre of an increasingly important conversation about globalization and global cooperation.

- Manufacturers are concerned with unfair trade practices from countries like China, and it is critical that the international trading system responds to such challenges.
 - The fallout from COVID-19 has led to an increase in export restrictions and an increased focus on ensuring “resilient” supply chains, including through efforts to onshore production.
 - Efforts by the U.S., Europe and our allies around the world to respond to Russia’s invasion of Ukraine represent a strong response – one that is strongly supported by manufacturers in the United States.
2. U.S. engagement with our allies is critical to tackling challenges and promoting democracy and our shared values. Recent events show that we need our friends more than any time in recent memory.
 - The Biden administration has taken steps to rebuild relationships with key allies through a variety of initiatives, including the U.S.– EU Trade and Technology Council, the U.S. – UK Dialogues on the Future of Atlantic Trade, and the Indo–Pacific Economic Framework.
 - We must work with our allies to identify more strategic, constructive ways to address global economic challenges, such as through the modernization of the WTO and opposing efforts such as the proposal to waive intellectual property for COVID-19 products that would threaten our technology leadership and undermine manufacturing innovation.
 3. We must negotiate cutting-edge trade agreements that open new markets, set enforceable rules and create opportunities for manufacturers, manufacturing employees and communities.
 - Trade agreements ensure that we are setting fair rules that open markets and ensure that global commerce aligns with our shared values.
 4. The U.S. – EU Trade and Technology Council offers a number of opportunities for manufacturers, including:
 - achieving greater coordination on export controls and investment screening policies.
 - strengthening cooperation on technology and other standards.
 - aligning our customs procedures to facilitate trade.
 - prioritizing the development and availability of green technologies and products.
 - guaranteeing information and communications technology security and competitiveness.
 - addressing global trade challenges by building a common approach to WTO modernization.
 - strengthening critical supply chains.

CONCLUDING REMARKS

Antony FELL, EUROPEAN FORUM FOR MANUFACTURING, Secretary General



We have heard excellent presentations this evening, full of facts and figures. In particular I would like to thank Zaneta Vegnere, Deputy Head, Cabinet of European Commission Vice President Dombrovskis for her presentation.

Equally I would like to thank each of the European Manufacturers for their informative presentations and the MEPs for their interventions.

And especially I would like to thank Prof. Danuta Hubner MEP for her outstanding chairing and moderation of this EFM Forum.

I formally close this European Form for Manufacturing virtual meeting.
