



## NEW DIRECTION OF EU TRADE POLICY

Wednesday 14 April 2021  
18h30 - 20h00  
*Virtual Meeting*

### WELCOME & INTRODUCTION BY THE CHAIR

Professor Danuta HÜBNER MEP, (EPP, Poland), International Trade Committee, Chair Advisory Steering Committee, Transatlantic Policy Network

Professor Hübner welcomed participants, representatives from manufacturing, MEP colleagues and the European Commission to this European Forum for Manufacturing meeting.

Before going to the substance of the meeting she explained that the European Forum for Manufacturing was established to bring together MEPs, Commission and Industry to debate key issues impacting European Manufacturing. As usual the speakers' presentations, as indicated on the programme, would go up on the EFM website following the European Parliament transparency principles.



She highlighted that international trade issues are a particular priority at the present time.

### NEW DIRECTION OF EU TRADE POLICY



Rupert SCHLEGELMILCH, EUROPEAN COMMISSION, DG Trade, Deputy Director-General,

You have a pretty big agenda and I am very pleased to be here and see all of you, to set out the new trade policy which came out in February, but it is also now time to look at on how we actually roll all of this out.

Let me just rehearse the context and the rational for this new policy which actually was already there before the big crisis hit us. But then of course, the challenge, to keep the supply chain open and to avert an immediate reaction which will harm all of us in the long run, was even more obvious.

At the same time, we were already looking at the big shift in the digital arena and also the Green Agenda that we are trying to pursue. All of that made us rethink what we could actually hope trade can contribute to that.

Some of these challenges were not new.

We had the US/China tensions, and I see that you talk about the US policy later on. China is a big part of that even in our bilateral relationships. There was technological competition heating up before the crisis came. There was a crisis of the multilateral system, we have the WTO which the Trump's administration basically at least partly paralysed. We had more unilateral measures all around. Not only from the US, on trade and implementation of tariffs outside the WTO system. And then climate change which also gives a big new challenge.

A perfect storm for all of this coming together.

So, now what we actually do, we really set out our stall and say now what does it take to adapt the EU's trade policy. We consulted, we had 400 submissions. We had long discussions in the European Parliament, in the Council, and then we came out with this new strategy which we usually now call 'OSA' – Open, Sustainable and Assertive Trade Policy.

What does that mean? 'Open' makes a case, which I think we really have to underline at every juncture. The strategy remains based on the fact that there is a big case for openness for Europe.

Growth in Europe and supporting our cooperative are not happening if we close our markets. The Green and the Digital transformation will not happen if we try to do this inward-looking.

'Sustainability' - our support for the Green Deal is an essential pillar of the new trade policy in line with what our society expects.

The 'Assertiveness' is reality, you know the going got a little bit rougher, so while we do cooperate as much as we can, there are instances where we have to enforce our rights and defend our values more assertively. And we need to be able to act autonomously.

So, Open Strategic Economy means, and we have been asked this many times, that we enhance our capacity to chart our own course on the global stage, but we seek dialogue while we are open. This is basically one of the main elements of this approach and building alliances that drive global change, that we have a more sustainable and forward looking globalisation.

This alliance building which has always been, I think, a part of our policy takes on a new meaning when you talk about Green Alliances, plurilateral agreements in the WTO and also autonomous tools deployed in tandem with others which actually will help to get our view across.

And again, the main objective, we identify these three objectives that I have started to mention and we have to support the recovery as well, not just work for the fundamental transformation that I mention in the beginning. Now we have the additional objective to make sure that we get back on track as soon as this crisis abates.

Multilaterally, we have a real objective to reform the global rules.

The WTO needs the reform, the global rules and our free trade agreements need to be more effective for a sustainable and fair globalisation and as I mention as well, already the question of pursuing our interests and enforcing our rights.

WTO cases sometimes take years. One of the cases that I am still working on, the aircraft one with the US, we are in year 17 and we still have not finished it.

So, there are question marks about the effectiveness of some of the mechanisms in the international arena.

Now just to round this out, we have 6 areas of work that we want to come alive:

1. The reform of the WTO

Clearly the number one priority for us. We are by core and in our heart “multilateralist”. And the rules base system has worked for us very well. We actually have, in this Communication of our New Trade Policy, an Annex which talks of nothing but WTO reforms.

2. Green transition and the value chain

Then the second key area of work, again coming back to the green transition and responsible value chains, here we have to look at the value chains much more closely and what it actually means. What are the circular economy responses for sustainable value chains?

That includes also promoting responsible business conduct which will be important for the manufacturing industry, and making sure that respect of environmental and human rights and labour standards is actually implemented.

3. The third area of work is the Digital Transition, already mentioned as well.

We are not necessarily the world leader in all these digital developments. There is a lot of global competition and that is now reshaping the economy worldwide. Rules on e-commerce are our priority. Like-minded countries who actually also believe in autonomy and data protection is part of that.

We do not have the same digital space around the world any longer. Let us be honest about that. We have also a pretty compartmentalised internet. We should not fracture that further than we already have. And make sure, for example, that the transatlantic space we have has one digital space.

4. The regulatory impact of the EU rules.

This is an area of work which is very often forgotten.

International regulatory cooperation is very important, because if you want to trade, the technical rules, the standards are very important in order to be effective and efficient.

We have what we call ‘the Brussels’ effect’ but I think it is clear that what was the ‘Brussels’ effect’ in the past is not necessarily the ‘Brussels’ effect” in the future, as big economies are growing elsewhere and using their own standards’ systems. Again, here we have to do what we can to make sure that global standards are based on our values, including our democratic values.

5. Partnership with the rest of the world

I mention that as well.

This is in particular the neighbouring countries, which are very often not under our radar screens: so, the Mediterranean to the east, the accession candidates, south and east and Africa.

Actually, the closest geographical regions are not the ones that we are more effective in trading with. This is because our main trading partners are the US and China, but there is an

enormous amount of work that can be done in particular on sustainable valued chains in the neighbourhood.

And Africa as you all know is coming up as strongly as a new, or an increased destination for our investments and trade. So, we all start to catch at these opportunities. That does not mean that we do not want to talk to China and the US.

## 6. Enforcement, implementation

There we focus the efforts, making sure that our trade agreements work.

We are actually having a chief trade enforcement officer now and we are now working also on further work on compliance mechanisms to help business and SMEs better and there is also the idea to have an instrument of our own to stop others bullying the EU which is the so-called Anti-coercion Instrument.

I think all of this is a to-do list but it is more than that. I think it is actually something where you want to aim at a new consensus on trade policy, and I say this because trade policy is having a difficult time. The acceptance of the bases of our prosperity which actually is for European trade because we produce much more than we consume. And we sell much more in the world than we can actually use ourselves, to be quite blunt.

We wanted to move towards a new consensus where we see that imports and exports actually are building not only prosperity in Europe but also help us to make the transition to the green and digital age and radiate our values of openness, multilaterals' cooperation around the world.

## CHINA TRADE POLICY AND THE EU

Oliver BLANK, ZVEI- Germany's Electrical Industry, Director European & China Affairs



- ZVEI represents more than 1,600 companies from the electro- and digital industries – with more than 870,000 employees in Germany and further 790,000 worldwide
- From a trade and market aspect, China is of great importance for the electro-industry.
- China has the largest market for electrotechnical and electronics goods worldwide.
- The market volume has tripled from €609 billion in 2009 to €1,801 billion in 2019. China's part of the world market has increased to almost 40%.
- For the German electro-industry, China has become the main export market.
- What is the direction? Was there a Covid-19 'effect' in 2020?
- German electro exports to China in 2020 increased by 6.5% (which means products and solutions worth €23,3 billion)
- Compared to other trade of the electro-industry, this is the third largest market

- Electrotechnical and electronic industry [EEI] exports within the Euro zone in 2020 were at €63,3 billion ( - 7,4%); to Asia in total €45,8 billion ( - 1,7%); while to the US 'only' €17,3 billion ( - 9,8%)
- The German EEI covers more than 20 different branches of the electro and digital industries. China business mostly relevant to:
  - Automation technologies (sensors, drives, electric motors, Industry 4.0)
  - Electronic components and systems
  - Electro-medical
  - Energy technologies (incl. eMobility charging infrastructure)
- ZVEI China strategy for the last years: 'Use opportunities – accept the challenges – minimize the risks' (EuropElectro, Industrial Policy framework, Industry cooperation)
- Credo for many ZVEI companies whose direct investments in China were at almost 10 billion EUR in 2019.
- Positive economic signals, but increasingly worrying political situation (including recent sanctions against Members of the European Parliament and renowned organizations)
- Political developments that are of increased concerns to our industry:
  - China's geo-political aspirations
  - Reactions to developments (Australia, companies' 'bad behaviour')
  - Decoupling / Dual circulation (recent MERICS / EUCCC study)
  - USA – China conflict on technological leadership
  - Practical access to China for company experts – travel restrictions, almost no platforms for exchange between EU and China at business level anymore
- Chances / opportunities to work together
  - Climate protection (Paris agreement, global efforts)
  - Multilateral trade (WTO, RCEP, Trans Pacific Partnership Agreement)
  - Digital transformation partnerships (AI, Intelligent Manufacturing)
  - Standardization (global standards, no China-driven standards)
- Current question marks:
  - CAI – Comprehensive Agreement on Investment
  - 14th 5-Year Plan China
- ZVEI recommendation to EU policymakers: Europe needs to define its own interests and international agenda:
  - Re-invest in EU-US transatlantic relationship
  - Continue cooperation with China – on the basis of reciprocity and level playing field, address issues of concern
  - Speak with one strong European voice with China (sing the same song)
  - Expand engagement in Asia-Pacific region
  - Develop stronger ties with other partners on EU multilateral interests: Japan, Australia, Indonesia, Korea etc.
- Strengthen Multilateral Trade - avoid Patchwork Globalization!
- More information on ZVEI and the electro-industry's global trade can be found at <https://www.zvei.org/en/subjects/markets-law/economic-activity-analyses>

Reinhard BÜTIKOFER MEP, (Greens, Germany), Committee on International Trade, Chair Delegation for Relations with the People's Republic of China



I would say that we are entering a new era in the China relationship.

After an early era of Western arrogance, then an era in which we managed to take great advantages of China opening up, then an era of increasing competition, we are now entering the era of systemic rivalry, which is also characterised by new hegemonic ambitions from the Chinese side.

The hope that China would converge with us is long dead.

China is not willing to become a responsible stakeholder in the international order either. China is trying to build a 'China centric' new order in which it can exert its dominance. When you want to understand how this might turn out, just analyse what they do with the Belt and Road Initiative.

China is not up for partnership.

China's ideal for international relations is to create a hierarchy in which they take the place which they think belongs to them for historical reasons. The place number one.

In this new era, geo-politics trumps geo-economics.

We see that in how interdependencies are being weaponized for political goals. Obviously, the Chinese market remains huge and that will continue for the foreseeable future. But on the other hand, and Mr Blank already alluded to that a little bit, there are also troubling tendencies which make you reflect more.

When Deng Xiaoping instituted the policy of opening up to the world, that created a lot of hopes.

I think the new paramount leader of China, Xi Jinping, is pursuing a different strategy. He is pursuing a strategy of autarky on one hand, and opening the world for China's goals on the other. The 'Made in China 2025' strategy, the fourteenth five-year plan, the dual circulation strategy, that all leads into questionable nationalistic orientations.

I would assume the golden age is over.

When we look at what China is doing at the moment to coerce Australia, or what they do to companies like H&M, Adidas or Nike, this gives you something of the foretaste of what might be coming. Under the given circumstances I think it is impossible to insist on compartmentalising Europe's China policy. Severing completely trade from human rights, from political issues, that is not going to work.

China is telling us that they will not accept simply doing business without bowing to their ambitions of policing world wide what would be acceptable speech about China. They told us through the sanctions, but they also told us in many public statements. For instance, I heard a statement that said: "the West should not expect China to cooperate with them on climate change as long as they insist on criticising our policies in Xinjiang".

Cooperation with China is of course something that we should continue to seek wherever possible. And there are elements where it is possible.

Maybe we could cooperate with China on Climate Change, but of course only on the basis that they change their coal policies. At the moment they are not on a CO<sup>2</sup> emission reduction path.

We certainly will not miss opportunities for cooperation because frankly it would be in our interest.

But we should not count on it. And that is why I would sum up with four points that try to focus on what we should prioritise in our China relations.

1. We should prioritise resilience.
2. We should develop our own geo-political perspective.
3. We should, and this is probably the most challenging task, put our own house in order.
4. We have to invest much more in creating China literacy and China competency in our own countries

Inma RODRÍGUEZ-PIÑERO MEP, (S&D, Spain), Committee on International Trade, Shadow Rapporteur for China, Chair Conference of Delegations

As standing Shadow Rapporteur of my S&D Group for China, I want to share a point on our relations with that important country.

The international context has changed very much during 2020 and 2021 and a rapid rhythm of transformation is expected:

- New developments are happening linked to the dynamic of the US - China relations.
- New movements in the trade links between the countries around the Pacific are visible also. Notably the signature of the Regional Comprehensive Economic Partnership [RCEP]



The European Union has to define its path in this disturbed global environment, while considering the numerous challenges has to face:

- the sanitary calamity and the economic crisis;
- the shifting balance of power between the main global players;
- the emerging regional powers with aggressive ambitions;
- the tremendous technological and informational transformation of our societies, among others

As High Representative Joseph Borrell highlighted, the crisis of the coronavirus has revealed some of our weaknesses in the relationship with China, which became progressively more assertive, expansionist and authoritarian.

As we know, the negotiation of the Comprehensive Agreement of Investments with China, has finished recently although it didn't start its procedure in the European Parliament yet.

While, after great pressure both from NGOs and from the European Parliament, the Council decided sanctions against some Chinese official responsible of human rights violations and, in reciprocity, China put some relevant Members of the European Parliament in a black list.



This situation causes immediately the interruption of any possible political procedure in the parliament in relation to this country until such sanctions are lifted.

So, it is a priority to take positions and take decisions on next steps.

My question to the business community and to our manufacturers is about their perception of China:

- Is China today perceived as a rival rather than as a partner?
- Will the sanctions in defending and promoting our EU core values and interest be compatible with maintaining the openness for an honest partnership, and with keeping the openness of our market and our economy to China?
- Would an honest and equal partnership be possible at some stage?

There are many risks for the European Union, in the present context; the higher risk is to be captured in a double game. That is why the feedback from the business and European industry community is essential for developing our parliamentary work including our parliamentary diplomacy work.

## **FUTURE TRADE RELATIONS BETWEEN THE EU AND THE UK**

Fergus McREYNOLDS, Make UK, Director EU and International Affairs

Since the EU referendum in 2016 UK Trade policy has been distinct from the negotiations with the EU. The EU negotiations focus on Sovereignty and the desire to take back control and where defined by the UK Government's commitment to leave the Single Market and the Customs Union.

The UK Government's policy to leave the Customs Union was driven by the commitment to gain sovereignty over trade negotiations with third countries and to establish an independent trade policy.



In looking at UK Trade Policy in recent years, these factors should be considered, and it must be noted that the policy intentions and delivery of reformulating the relationship with the EU and negotiating new trading relationships with other third countries was separate and indeed delivered by different Government departments across Whitehall, notably the newly formed Department for International Trade (DIT) and on the other hand the Department for Exiting the EU (DExEU) and latterly the Cabinet Office.

UK trade policy with third countries, led by DIT, was defined by three key characteristics, securing continuity, the desire to work with likeminded countries and finally the need for speed.

From 2016 to the end of 2020, DIT worked to maintain trade continuity with key trading partners to continue to have access to markets on near identical terms as had been enjoyed as a member of the EU. In this regard the UK has been quite successful.



Trade policy was also driven by a desire to improve trade links with likeminded countries that focused on trade liberalisation and opening markets, including Australia, New Zealand and of course the United States. These negotiations will continue this throughout this year.

Finally was the need for speed and working to bring about the largest scale change in bilateral and multilateral trade relationships. This speed was balanced by with the establishment of a new governance system for democratic oversight which continues to develop.

In the coming year, the UK will hold the G7 presidency and will clearly focus on many of the priorities highlighted in the EU Commissions updated trade policy, including WTO reform, the growth of digital trade and the digital economy, the need to focus on SMEs and finally addressing climate change.

In these issues, and many more, I believe the UK and the EU and well as other significant partners such as the United States, have much in common and the opportunity for greater cooperation.

#### UK and the EU

The UK and EU have announced that they have provisionally agreed a Trade & Cooperation Agreement that will determine the framework for a new UK-EU relationship effective from 1 January 2021.

Whilst the trade deal negotiated by the government falls short on the trade benefits we previously enjoyed, it is a starting point for our future relationship with the EU. A no deal outcome would have done catastrophic damage to manufacturing in Britain.

When compared with the UK's integration in the EU's wide-ranging legal, regulatory and economic structures, the provisional agreement still marks a fundamental moment in the UK-EU relationship.

Even with commitments in the provisional agreement to support elements of the existing relationship in the trade in Goods and Services, there will be significant change for any business operating in Great Britain (GB), Northern Ireland (NI) and EU markets.

The rules that govern how business deals with the previous EU/UK border will end.

Business will need to learn to operate in and through the UK differently, under new regimes that will be interpreted, enforced and developed in different ways for trade between GB and EU, and GB and NI.

The passing of the EU (Future Relationships) Bill ends more than four years of uncertainty and dispute, during which investment has faltered. We now have at least some clarity from which we can build.

That said, it confirms the introduction of other trade barriers for businesses exporting from the UK and creates large amount of friction with significant burden and immediate uncertainty for many.

#### Rules of Origin

The Trade agreement delivers on duty and quota free trade, only so long as exports meet stringent local content requirements. The lack of inclusion of allowing imported non-EU parts to count towards the agreement's rules-of-origin thresholds, which determine whether a product can be traded tariff-free or not, will provide complications for UK business and could quickly lead to punitive tariffs being placed on UK business.

### Non-Tariff Barriers/Red Tape

The provisional agreement has done nothing to resolve the significant paperwork filling that businesses will have to get used to – an estimated up to 400 million new forms. The cost to business from this will be significant and even after all systems have bedded in and the queues at our ports have normalised, we would still expect each delivery to take longer than it did before this deal. In today's optimised supply chains, this could impact operations in the UK in the longer term and will impact integrated supply chains.

### Conformity Assessment

The trade agreement does have the opportunity to maximise trade opportunities and extend the ongoing collaboration to minimise non-trade barriers. However the failure to include provisions allowing UK-based product testing and assessment bodies to continue certifying products for the EU market will add additional costs for firms supplying goods requiring such authorisations to supply goods to the EU, NI and GB markets.

- New product certification requirements will be needed for GB firms wishing to export to EU and NI who will have to comply with 'new' UK and EU technical regulations & standards.
- Increased costs from new design, test, certification, and administration to cater for this new double regulation for no real gain. The theoretical gain is that it allows deregulation for domestic market.
- Implications for the UK to diverge from EU rules and approaches, and the consequences of doing so such as; low cost destination for importing nations; future disputes/reviews with the EU, loss of UK's influence & reputation in global standards

### Services: Short Term Business Travel And Mutual Recognition Of Professional Qualifications

While the agreement allows for short-term business visits (for example, for discussions on a contract for sale) as well as provision of services, these are all subject to numerous restrictions. For example, independent professionals must possess a degree and six years' experience to qualify for access, and some sectors still remain closed to them.

They may still be required to apply for visas or work permits and will be dependent on the sector and/or member states.

The provisional agreement does not provide for mutual recognition of professional qualifications, although it does set up a framework for the mutual recognition of professional qualifications through the Partnership Council, but no new qualifications will be recognised on day one.

### This is a starting point

It is clear that the UK and the EU will need to work with both UK business and our EU partners to address a wide range of issues going forward.

Indeed, while the Trade & Cooperation Agreement [TCA] brings to an end a period of uncertainty for many businesses, it should also be seen as a starting point for building a stronger relationship. The UK and the EU will both benefit from a strong partnership and we look forward to working with both to ensure the integrated manufacturing sector in Europe can continue to thrive.

Geert BOURGEOIS MEP, (ECR, Belgium), International Trade Committee, Shadow Rapporteur on Recommendations on the Negotiations for a New Partnership with the United Kingdom of Great Britain and Northern Ireland



- Let me first state that I still profoundly deplore Brexit: it is a 'lose-lose' situation that comes on top of the dreadful corona-pandemic and in times of geostrategic tensions and rising protectionism.
- I agree that it is good that the Trade and Cooperation Agreement is now in place (and I sincerely wish to thank Michel Barnier for his excellent work), albeit provisionally.
- The Trade and Cooperation Agreement provides for:
  - legal certainty for companies
  - 0-tariffs and 0-quota for trade in goods
  - one overall governance framework
  - a dispute settlement system that primarily aims to "de-escalate" tensions that have been "staged"
  - a sound framework for broader policy cooperation, beyond trade
  - and promising building blocks for broadening future relations
- I thus truly hope the EP can consent to the Treaty later this month so that we can do away with the dreadful 'no-deal scenario'. We should not forget that in the event of a no-deal:
  - The UK will lose - 5% of its GDP
  - The EU-27 as a collective will lose -1% of its GDP
  - Altogether, we are talking about 1.2 million jobs that are at stake!
- It is obvious that the countries around the North Sea will be most impacted.
  - for example: my own region, Flanders will lose -2.5% of its GDP and 28.000 jobs.
- Yet, even with the TCA in place, manufacturers - especially SMEs - face significant losses already.
- Therefore, we must cushion the impact of Brexit by putting the Trade and Cooperation Agreement into effect.
- As the former Minister-president of Flanders, I was the first politician in Europe to plead for a dedicated Brexit-fund.
- Although I believe it will not be substantial enough, I am glad EU leaders agreed on a 'Brexit Adjustment Reserve'. However, both Parliament and Council should now reach an agreement and not forget that the Brexit Adjustment Reserve is first and foremost about prioritising support for the most impacted regions and industries.
- Second, I believe we can say after three months of implementation that the bulk of the customs problems that companies face are related solely to phytosanitary checks. I thus plea that, the sooner, the better, the UK government should follow the 'Swiss model' and adhere to the EU's phytosanitary standards. This will result in a massive boost to trade and solve many problems related to the Irish and Northern Ireland border.
- Third, I would like to reiterate that the EU can make no concessions as far as the Single Market's integrity is concerned. However, both the EU and the UK must make full use of the smart governance architecture put in place via the Trade and Cooperation Agreement.

Through dedicated sectorial cooperation committees, both partners must do everything possible to set the highest standards for:

- maximal digitalisation of customs procedures via blockchain and AI
  - full use of trusted economic operators
  - free and trusted data flows
  - and the best support and information tools available for SMEs
- Fourth, I believe the 21st Century will be the “Century of the Ocean”. The North Sea offers lots of opportunities for food, cosmetics, the pharmaceutical industry and so on. So, I reiterate the proposal I made earlier, i.e. to reach an agreement with the UK on a new Macroregional Strategy for the North Sea.
  - And finally, I strongly believe in close Parliament to Parliament-relations. These are quintessential to deepening and broadening our future cooperation.
  - That is why, with all due haste, we must establish a joint Parliamentary platform together with our good colleagues of the House of Commons and the House of Lords. I believe monitoring, reporting and Parliamentary oversight are essential in preventing future problems. We should, for example, not forget that it was the House of Lords that managed to do away with the most controversial parts of the UK’s Internal Market Bill.
  - I, therefore, hope that organisations such as the EFM will keep in close contact with Members of Parliament on both sides of the Channel. This event is, in any case, an outstanding initiative!

## **EU TRADE POLICY AND THE UNITED STATES**

Ken MONAHAN, NATIONAL ASSOCIATION OF MANUFACTURERS  
– Washington DC, Vice President International Economic Affairs

Ken Monahan began by explaining that the National Association of Manufacturers [NAM] works for the success of the more than 12 million men and women who make things in America and their families.

He stated that the NAM represents 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.



He then focussed on three areas:

1. Key pillars of U.S. trade policy under President Joe Biden, including: workers; the environment; equality and equal opportunity; China; engagement with allies; developing and reinforcing resilient manufacturing supply chains; opening markets and reducing trade barriers; and trade enforcement.
2. An analysis of what is new and what is not new with the approach to U.S. trade policy under the Biden administration.
3. Trade priorities for manufacturers in the United States, including: opening new markets; the need for a new approach to China that is strong and strategic, rooted in our strengths and values and closely coordinated with our allies; the importance of reinforcing the U.S.-EU alliance; and commercial enforcement of U.S. trade agreements



Bernd LANGE MEP, (Vice Chair S&D, Germany), Chair International Trade Committee  
*(Main points noted from his presentation)*

There is a big change in the Trade Policy in the United States – no doubt about that. But, at the moment it is not totally clear how this will look in the future. I am convinced that not everything will change but some will be better. We have some signals for some parts that will be better and Ken Monahan mentions some of them. But of course, we still have some disputes in the air.

In the administration of the United States, I think trade policy is playing quite a different role than before. There is a co-ordination between foreign policy and security policy and trade policy. This is quite new and I expect that trade policy will be in line with other elements of foreign policy as well.

There are some new elements.

The direction of partnership, the multilateral system, so there are possibilities to have a better approach towards the WTO and to find improvement in the reform process and to overcome this. The nomination of the director general is quite a good signal. And of course, there are also signals to solve our bilateral conflicts, such as the lifting of the Airbus/Boeing tariff for one month, even though the European six-month proposal was not accepted by the US. So, we see there are some signals for a better cooperation, but of course we have still some disputes in front of us.

So, we have to discuss extraterritorial sanctions, digital developments and cooperation on new standards. I hope that we can find a way that we are able to find solutions for both sides of the coin and where we can work together and Ken Monahan mentioned China. There is no doubt about that. We have to force China to go ahead with the rules-based system. A lot of systems we have in common.

And the other side of the coin is where we have disputes to resolve and not to escalate with unilateral measures as we saw under the Trump administration.

## CONCLUDING REMARKS

Antony FELL, EUROPEAN FORUM FOR MANUFACTURING,  
Secretary General

Antony Fell announced that the speakers' presentations, as indicated on the programme, would go up on the EFM website.

The next EFM meeting on Wednesday 26 May at 18h30 will focus on an Updated Industrial Strategy.

He thanked all the speakers and Danuta Hübner for her excellent Chairing of this important debate.

He formally closed the meeting.

