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EIN-A4

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**EIN Working Breakfast on: "Quo vadis EU-US trade relations?", European Parliament, Brussels**

Chaired by:

**Mairead McGUINNESS MEP**, Vice-President of the European Parliament, Chairwoman of the EIN Working Group on Transatlantic Relations; and

**Godelieve QUISTHOUDT-ROWOHL MEP**, Member of the Committee on International Trade in the European Parliament

Keynote speaker:

**Peter CHASE**, Senior Fellow, German Marshall Fund of the United States (GMF)

- > Donald Trump and his team follow a mercantilist approach on international trade. They are focused on US goods' exportation, thus not just a "closed borders" policy. This US Administration considers its country a victim of the international order, creating a disturbing environment in the US trade policy.
- > TPP's withdrawal was the first given signal that international laws no longer have the same weight for the American Administration. Moreover, it is unlikely that the renegotiated NAFTA will be as advantageous as the TPP was for the US, bearing in mind that the TPP was already a renegotiation of NAFTA, and that there is great inefficiency on ripping up an agreement that has already been negotiated. Thus being surprising how peacefully some American institutions as the US Chamber of Commerce accepted this decision.
- > However, some of the areas where Donald Trump goes outside the normal bounds in foreign security policy do not pose great concern, considering that his national security team believes in the international order and alliances, as clearly shown by their insistence on the importance of reaffirming the US's commitment with the article 5 of the NATO Treaty.
- > The US President's advisors on trade policy are mostly related to trade defence, focusing on defending the US from unfair trade practices. However, new nominations in the international economic policy advisory team are expected to build up a more open minded perspective inside the US Administration.
- > The risks posed by China's over-capacity on steel production is a matter of utmost importance in which the EU and the US need to have a close and joint view on. The two allies need to be aware of the problem and the risks posed to the global economic stability. It is necessary to take a common firm position, in order to compel China to understand that international trade rules apply to everyone, and that the country needs to comply with them.
- > TTIP is a market access agreement which can still be viable since the US Administration has been open to resume negotiations. Having that the US offensive ask is on agriculture technology, while the European is in public procurement, a dynamic negotiation environment might be able to arise.
- > There is a lot of space to keep on working in terms of regulatory cooperation between the EU and the US. TTIP can and should have horizontal provisions that facilitate regulator to regulator cooperation.
- > It is strategically important for the EU to keep on engaging with other trade partners. The growing isolationism of the US, being constantly outside global leadership discussions and agreements, will pressure the American Administration. The proximity of the EU with Mexico is making the US aware of the leverage that the country is gaining on the political and commercial global landscape.
- > The EU and the US are still allies. In order to improve its relations with this US Administration, the EU should not adopt a demanding posture. Instead, it should bring to the transatlantic dialogue the strategic advantages of common standings on global trade challenges, such as the strong position the two would assume if an agreement as the TTIP would come to a successful outcome.
- > The United States Congress still has many Members who truly believe in the rule of law and in the importance of the transatlantic alliance, which means that the European leaders should work with them in order to reaffirm and continue on building up our shared values.

*The 'EIN-A4' represents a summary of EIN seminar initiatives. The views expressed do not necessarily reflect the EPP Group political line.*