

Briefing

EIN Working Breakfast on: "*Quo vadis EU-US trade relations?*"

12th July 2017, European Parliament, Brussels

Almost six months after the inauguration of Donald Trump as President of the USA, one cannot overlook the fact that uncertainty remains the key word on the relationship between the European Union and the United States.

After Donald Trump's campaign, marked by a harsh speech on the role of international partnerships, the US Administration has been giving mixed signs on its foreign policy agenda, with the consequences of its "America First" policy remaining far from clear.

This EIN Working Breakfast aims to reflect on the signs given by both sides of the Atlantic on whether there is a true willingness on furthering economic cooperation between the two historical allies and major global trade partners. In fact, the EU and the US are each other's main trading partners in goods and services, and together they have the largest bilateral trade relationship in the world.

There are no doubts that the 2016 US Presidential election brought the world a much different political landscape. The new US Administration perspective on international trade and cooperation questions the future of the partnerships between regions and countries which, until few months ago, shared common economic and political essential values.

The European Union has been clearly looking to further the cooperation with its other main trade partners while the negotiations with the US stand cold. The Comprehensive Economic and Trade Agreement (CETA) with Canada and the Free Trade Agreement (FTA) with Japan - EU's second biggest trading partner in Asia -, for example, show that the EU will not stand still while the US maintains its isolationist approach.

Moreover, Donald Trump's statement on the will of the US to withdraw from the Paris Agreement represents an important step back on the country's position regarding the global efforts to combat climate change. The US walking away from the biggest concerted global action on environmental protection adds difficulties to the transatlantic cooperation, diminishing the chances of economic policy convergence with the EU giving its reaffirmed commitment and global leadership role on the matter.

Last weekend's G20 Summit in Hamburg was a clear example of how the US appears to be isolated from the discussions on free trade and climate change.

Will the new US Administration posture cause a retreat of the countries' global leadership role?

Transatlantic Trade and Investment Partnership (TTIP)

The Transatlantic Trade and Investment Partnership aims to reduce remaining barriers to transatlantic trade and investment, thus boosting and facilitating the buying and selling of goods and services, as well as investment between the EU-US economies.

After a long period of negotiations, this broad and ambitious agreement has been stalled since October 2016, when the last round of negotiations took place, after a year of highlighted attention to the trade agreement that promised to create the biggest free trade block in the world. The fact is that the uncertainty caused by the new US Administration protectionist rhetoric - although not withdrawing, but giving no signs of willingness to endeavour in the negotiations - led many to believe that the ongoing negotiation agreement would not end with a positive outcome.

However, representatives of the American Administration recently stated that the US has not withdrawn from the agreement (has it did with the Trans-Pacific Trade Partnership - TTP) and that the country is willing to resume negotiations.

Nevertheless, what can Europe expect from this foreseen new rounds of negotiations? Is there a true possibility for the TTIP to revive, or should we expect a new framework/parcelled agreement?

Quo vadis EU-US trade relations?

Our discussion aims to define what should be the European Union's approach in the upcoming future when looking to enhance its economic relations with its long standing transatlantic ally.

Shall we expect Europe to take its destiny into its own hands? Or can we hope for more cooperation and enhancement from our biggest trade and investment counterpart?