

Professor Danuta Hübner
“Growing systemic role of the EU-US Trade and Technology Council”

Committee on International Trade

**Exchange of views with Executive Vice-Presidents Margrethe VESTAGER and
Valdis DOMBROVSKIS on the EU-US Trade & Technology Council
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Let me start by stressing the importance of a strong transatlantic cooperation in our current geopolitical context of the EU-US Trade and Technology Council (TTC).

Unfortunately when our economies were about to get back on post pandemic track, new challenge came with demand and supply sides short and long term repercussions for our economies.

I fully agree that we clearly see the value-added of the TTC in this geopolitical context. It gives us a solid foundation for the discussions on sanctions deployed on Russia. This channel of cooperation makes us more resilient and facilitates working with other allies.

So, let's hope that in May we will see concrete deliverables.

Even before the war, during meetings with the Commission, we could see how useful exchanges within the TTC have become, allowing to have a hard look at the regulatory cost of doing business, to listen to the transatlantic business community on how administrative red tape and to examine how double standards hinder the growth of potential transatlantic trade, especially for SMEs.

First, we can anticipate that there will be uncertainty and long-term disruptions in supply chains might lead to localization effects negatively affecting our economies. We have an untapped potential for adding more sectoral mutual recognition agreement. This would ease the regulatory cost of doing business.

Second, on standardization, the EU and the US should cooperate more greatly on nominations in standards setting bodies to ensure that we have geopolitically sensitive experts in the technical committees.

Third, when it comes to investment screening, our framework seems so far to be rather efficient here within EU. However, the post war period might bring new threats and risks to our inward- and outward-looking investments. The EU and the US should consider solutions such as signing a Memorandum of Understanding between the US's Committee on Foreign Investment (CFIUS) and DG TRADE to ensure regular intelligence sharing.

Fourthly, there will be not only short-term but also long-term disruptions in supply chains during and after the war in Ukraine, which might lead some European companies to moving their production to China, for example the automotive industries. The TTC should be a platform of reflection on this risk of delocalization of our companies.

Finally, we all agree that this will be a different world that will follow, and we need to make the TTC even more relevant – maybe by starting reflecting on further institutional deepening of the TTC.