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***“The Transatlantic partnership: Successfully pivoting to the new world”***

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Transatlantic relations are today broader and deeper than at any time in the past.

Transatlantic trade surpasses pre-pandemic levels. Together we are the largest and wealthiest market in the world accounting for almost one-third of world GDP in purchasing power terms.

We have highly interconnected supply chains and strong mutual investment flows. Both our trade and investment support millions of jobs in the EU and the US. And let me say that I would like to hear this message more often in the speeches of our political leaders and lawmakers.

Recent data talks about 5 million jobs created by US companies in the EU and 4.8 million created by European companies in the US. And these are only the jobs directly generated by trade and investment. As you know our ties run even deeper.

For more than two years now, the EU and the US have worked together to secure the foundation for our political, economic, technological, and trade partnership. Today this foundation is strong, resilient. We have to move to make it mutually supportive.

Most of us here probably remember the years of dysfunctional relations and saw America coming back in January 2021 with strong commitment to work on our common hopes, expectations, and interests.

We started negotiating pragmatic solutions to legacy files that were harming our relationship. I think here in particular of pausing the measures and countermeasures of the Large Civil Aircraft WTO dispute and the US Section 232 tariffs and EU counter-tariffs on steel and aluminum. We still need to find permanent solutions to the bilateral disputes we have paused. As you know, it is necessary for businesses

to function in a predictable framework. Many firms were affected by the tariffs and are waiting for solutions.

Then at the EU-US Summit of June 2021, we set up the EU-US Trade and Technology Council to establish a space to strengthen and further develop our cooperation. This platform for communication makes us more resilient.

The trade part of the TTC examines the regulatory cost of doing business, how administrative red tape can be removed, and how double standards hinder the growth potential of transatlantic trade, especially for SMEs.

We must ensure that the TTC will continue to be the cornerstone of a positive transatlantic trade agenda. As an important platform of transatlantic cooperation, it has had a clear value-added since its establishment. Indeed, its potential is growing.

Let me say that a lot has been achieved and a lot still remains to be done.

A meaningful example here is the need to conclude the negotiation on a Global Sustainable Arrangement on Steel and Aluminum. The EU and the US have given themselves the very strict deadline of 31 October 2023 to address the issue of steel and aluminum and its global overcapacity. We hear that progress is being made and that non-papers were exchanged by both sides. Katherine Tai and Valdis Dombrovskis continue to stress that this is a top priority for their team this year. We need a mutually satisfactory solution to be found within this limited framework.

We also have to continue to solve the large civil aircraft dispute that was paused a year and a half ago and find a common understanding and solution to the issue. We gave ourselves 5 years to come up with mutually agreeable rules on aircraft subsidies. We need to deliver on those and bring them to the WTO. We see how quickly China is moving forward in this field.

Today, taking a meaningful look at the EU-US relationship, one cannot skip the challenge represented by climate change. It is a global challenge that will require everyone to be involved to tackling it effectively.

I would like to start by recognizing the importance of the US embarking on an ambitious program to prevent unmanageable levels of global climate change, even if our approaches differ.

The US's Inflation Reduction Act sends a clear signal to industry that the future will be climate neutral.

We see the Act as a climate, industry, and trade policies framework but with a strong security dimension.

It aims at its objectives mostly through tax breaks and "made in America" requirements. The good news is that the EU-US Task Force on the IRA established in October 2022 continues to progress in addressing EU's concerns about the IRA.

Last month, Presidents Biden and von der Leyen had a positive meeting in Washington. They announced the start of a targeted negotiation on a critical minerals agreement that aims at granting the EU "FTA like" status in the context of the IRA. This targeted agreement would boost EU-US mineral production and processing and expand access to sources of critical minerals that are sustainable, trusted, and free of labor abuses.

However, we have to be mindful of a couple of issues, such as the protectionist agenda of the Biden administration. We can see an attempt by the current administration to create a fully decoupled economic environment to bring back jobs to the US in a non-WTO compliant way when it comes to US climate policy to the detriment of EU companies.

The Biden administration has pushed many Buy American provisions in key pieces of legislations (Infrastructure Investment and Jobs Act & the Inflation Reduction Act).

When talking about the protectionist tendencies in the US, the EU open strategic autonomy also comes to mind.

We have to remember that strategy autonomy means different things whether you talk in the framework of defence, security, or trade.

In the context of the EU trade policy, the concept has importantly included the word "open".

Open strategic autonomy was never seen as a replacement to cooperation but as a long-term responsibility.

This trade strategy builds on the importance of an open economy that is resilient and competitive, abides by the rules-based trading system, and promotes the values of fairness and sustainability. These are the conditions we need to defend if we do not want to see the furthering of power-based trade relations and the increasing weaponization of all of flows.

The EU needs to be more assertive on behalf of its citizens and businesses. We have to protect our level playing field, ensure a strong enforcement of commitment taken by international partners, and root our policies in core European values such as democracy and respect of the rule of law.

The EU has invested in a defensive toolbox and it has now a large set of autonomous instruments at its disposal, to address economic disruptions (i.e., international procurement instrument, foreign subsidies instrument), to deter economic coercive action (i.e., anti-coercion instrument), and to protect critical assets (i.e., FDI screening regulation).

In a world where trade is increasingly seen through the prism of power, we cannot be naive and need to equip ourselves with instruments that will deter and hurt if needed countries that want to coerce us.

However, the other side of the coin is a very strong defense of the multilateral trading system with the WTO at its core.

Looking at President Macron's recent trip to China, there is a big risk that the only real winners were the 50 French businesses that accompanied him. This is a risk provoked by the business community that expects actions from national leaders during those trips. It could reduce competitiveness.

In February, the Commission presented the Green Deal Industrial Plan complementing ongoing efforts to transform EU industries under the European Green Deal and the EU Industrial strategy. It would be important to stress that any Polish policy response should be done within a European response framework.

As part of this Plan, the Commission presented mid-March its Net-Zero Industrial Act and the Critical Raw Materials Act.

The Net-Zero Industrial Act focuses on the production capacity of batteries, windmills, heat pumps, solar cells, among others.

It will promote European strategic projects and develop standards to support the scale-up of technologies across the Single Market.

It aims at stimulating the demand for net-zero products through public procurement and promote sustainability and circularity. EU public authorities spend around 14% of GDP – about EUR 2 trillion – per year on public procurement. More can be done to leverage these opportunities.

The Commission also presented at the same time its proposal for a Critical Raw Materials Act. Over the past 20 years, the production and processing of critical raw materials has concentrated in some third countries, in particular China. We see that during the same period of time, in Europe, we reduced our capacities in extraction and refining of raw materials.

With the explosion of the demand for those materials, we see a strong risk for the EU of switching addictions: from Russian fossil fuels to Chinese rare earths and raw materials.

While Europe will never become self-sufficient in supplying critical raw materials, more can be done to invest in the extraction, refining, and recycling industries in Europe. The Critical Raw Materials Act proposes a strong sustainability framework to leverage the strengths and opportunities of the Single Market and the EU's external partnerships to diversify and enhance the resilience of EU critical raw material supply chains.

The EU plans to set up a Critical Raw Materials Club to bring together producing and consuming countries to foster investments, share information and knowledge, and work on enabling business environments respectful of international social and environmental governance standards.

Looking at the flagship initiatives on both sides of the Atlantic, I see the risk of triggering a subsidy race to the bottom globally. We are not only in a bilateral relationship, we share global responsibilities.

The EU and the US should not risk creating heavily subsidized products that in general could distort the global level playing field. We should aim at striking the right balance between cost and efficiency principles, and security and resilience concerns.

Despite differences in methodology, we clearly see the need to accelerate the collaboration between the EU and the US to successfully pivot to this new world.

The one certainty we have is that global trends are unlikely disappear. We will still be in a global technological race against China, especially seeing the rapid advances made in AI today. The China-Russia alliance will continue to threaten us. And we will still have to tackle climate change and rapidly decarbonise our industries. The world will be polarized.

We have to be aware that EU-US relations not only are a bilateral one, but we also share a global responsibility.

The EU and the US will have to find a good balance between challenges of domestic policy and those of global responsibility, for which we need to be working together on.

There are huge untapped opportunities to combine the transatlantic forces in the fight against climate change and leading the global technological race.

For instance, at the June 2021 EU-US Summit, Presidents Biden and von der Leyen announced the creation of a “Green Tech Alliance”.

Little progress has been made despite the remarkable potential it has. There is a clear need to accelerate the innovation capacity we have in the clean tech sector – a sector with tremendous commercial and energy security potential.

According to the International Energy Agency, by 2030 the global clean tech market will surpass the value of the oil market, rising from \$122 billion to \$870 billion.

Now would be the time to launch a Transatlantic Clean Technology Alliance (TACTA) as a platform for officials, demand owners, and the investor/innovation community to share perspectives and identify priorities. TACTA could prioritize innovation that reduces, rather than exacerbates the critical material dependencies.

With the upcoming rounds of elections in the EU and the US, we also see it necessary that the EU and the US continue to invest in fit for the future political and institutional transatlantic structures for cooperation. The fourth meeting of the TTC at

the end of May could identify those areas that require a strengthened cooperation and start building such lasting frameworks.

Helping to rapidly scale up clean tech so that they can become more affordable, accessible, and attractive, should be a particular focus of the transatlantic governments.

I trust that our respective policy packages addressing climate change and the transition to a low-carbon economy will build the resilience of the transatlantic marketplace in a mutually supportive way. This should be our common goal.

In my view, the health of the transatlantic relationship will also hinge on the EU's readiness to work with the US on coping effectively with China's geo-economic and political challenge. We are in a technological race.

In this context I would say that the TTC is a good platform to bring us closer. I am among those who believe that transatlantic cooperation is the only way for either side to end their dependency on China and to face this competitor successfully.

We know we have untapped potential with sectoral mutual recognition agreements and conformity assessments between the EU and the US. Both partners have immense standardization capacities and huge technological potential. We need to move faster on conformity assessment and mutual recognition agreements.

With the global rise of China, it is increasingly important for our competitiveness to strive for a close transatlantic regulatory space and create shared standards for future clean and digital tech.

On standardization, let me add that the EU and the US should cooperate more on nominations in standards setting bodies.

We know the business community needs stability, certainty, and clarity. WTO rules provide that.

We definitely need more EU-US cooperation on WTO issues. Our trade and investment relations are anchored in a thriving free and open market economy, supported by the WTO. A strong commitment to WTO reform should be a key element of our bilateral relations.

We should not forget that EU-US cooperation and co-leadership has historically been a driving force for progress in GATT/WTO negotiations. I believe there is on both sides a strong awareness that a robust international rules based trade system is essential in this increasingly polarized world to shield us from the weaponization of trade or other global flows.

For trade to be a win-win process, we must have healthy and respected rules based on an international framework that addresses the challenges of the 21st century.

Finally, it would be important to stress that any Polish policy response should be done within a European response framework. It is in Poland's keen interest to not have unfair competition within the Single Market. Polish entrepreneurs should not be at a disadvantage because other EU countries have deeper pockets to subsidize their national industry.

At the geopolitical level, the war in Ukraine made Poland a great "beneficiary" of its geographical location. Poland became also a key ally of the US in the region. President Biden's two visits in short time have proven that.

There is also an important issue of the changed relations between Poland and Ukraine. Accepting many refugees and political atmospherics led to the preparation of possible intensification on the political level, including the treaty based on the Franco-German Elysée treaty.

At the political level, though, the current Polish government is trying to establish its new position within the new post-war order as a "lone ranger". It actively dissociates itself from the European Union and the neighboring Germany, especially.

Economically, Germany is the vital link of the Polish economy. It accounts for 26 percent of Polish exports, which is five times more than the next-placed country, the Czech Republic, and then the United Kingdom at 5 to 6 percent each.

In the context of Europe as a whole, Germany is a key part of the Polish success story. So the EU can be said to be the "mother of all successes" in Poland.

But the current government does not see it that way. It makes our influence purely one dimensional: military and logistically. The political, economic, and cultural dimensions are lacking.



And this is why the translation of that international visibility into political long-term vast success will be difficult to achieve.

In order to really utilize its newly gained influence, the Polish government should have to show that it is a credible member of the EU and credible partner for the dialogue about the future of Europe as a more integrated whole. Even for promoting Ukraine's accession, the Polish government is not credible.

To be credible, it would have to fully participate in the politics of the Union in areas like climate change, Green Deal, common security and foreign policy, women rights, LGBT rights, etc.

One of primary proofs of credibility would be to become a member of the euro-zone. It would not only confirm Poland's good faith in European affairs but would also give us a bigger leverage for influence inside the EU.

The other thing would be to end, unequivocally and fast, a disgraceful alliance with the most right wing parties in the EU, like the French National Front or Spanish Vox. For this is an alliance of shame.

Also, ending the close relations with Hungary (now a bit loosened due to shameful behavior of Orban in the context of war) would be desirable. Also stop the „hate machine” directed toward Germany and France.

And, of course – and here is the biggest obstacle – to reorient the internal politics from the creeping authoritarianism back to a liberal democracy. Putting ourselves in the liberal democracy camp, without any reservations.

It would require the government top to stop attacks on the judges, on NGOs, on opposition, on independent media, on women. Guaranteeing that the coming elections will be not tainted by any political machinations.

All those conditions would require a whole change on the part of the governing party.

Thus, since that would be really a revolutionary development, I am not an optimist here.