



Trade and Technology Council

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Priorities for the fourth ministerial meeting

Despite a difficult geopolitical environment, the transatlantic partnership demonstrates unwavering resilience and strength. The EU and the US should continue to cooperate on global challenges, reduce strategic dependencies and project their common values. The US Inflation Reduction Act sparked an important conversation on the need to align efforts to tackle climate change across the Atlantic and amplify their impact on the decarbonisation of our economies. The EU and the US should not be racing against each other but, instead, ensure alignment and coordination of their strategic investments to strengthen the resilience of global supply chains.

The Trade and Technology Council (TTC) is a unique platform for the EU and the US to shape the direction of the global economy around their shared values. It also creates an opportunity to strengthen relationships between transatlantic officials that are involved in the different working groups. The regular dialogue at all levels enables participants to share perspectives on emerging issues and build common understandings.

The TTC has already started to deliver. As an example, the working group on export controls played an important role in the swift and united transatlantic response to Russia's invasion of Ukraine. The first ministerial meetings also led to promising initiatives in the field of artificial intelligence, connectivity projects in third countries, an agreement for a Transatlantic Initiative on Sustainable Trade and the extension of mutual recognition agreements.

It is critical that the upcoming ministerial meeting leads to progress on important issues for transatlantic cooperation. More details on an expected agreement on critical raw materials, building on the joint statement from President Biden and President von der Leyen, will be an important deliverable. In other areas, the EU and the US should encourage transparency in semiconductor supply chains and advance the ongoing cooperation on artificial intelligence.

The TTC can also be a springboard for transatlantic cooperation in other fields. Importantly, the adoption of the EU-US Data Privacy Framework and the negotiation of a Global Arrangement on Sustainable Steel and Aluminium continue to be critical priorities for the business community.

Three principles should continue to guide activities across all working groups:

- **Foster transparency and stakeholder engagement:** building a consistent system to collect input and engage with business and civil society will ensure the effectiveness of the TTC. Ensuring buy-in from all segments of society will be a key component for its success. Transparency efforts should also include a more detailed reporting of ongoing discussions.
- **Outline roadmaps and clear deliverables:** providing more clarity on the scope of the working groups' activities is critical to enable stakeholders to provide constructive input and for the TTC to deliver concrete outcomes in a timely manner.
- **Prioritise outcomes with concrete impact:** while both short-term and long-term strategies are important, delivering on a few concrete outcomes first will help demonstrate the relevance of the TTC.

Digitalisation

1. Emerging technology standards

The EU and the US should use the TTC to define global standards on emerging technologies, in particular for AI. They should build on initiatives like the Joint Roadmap on Evaluation and Measurement Tools for Trustworthy AI and Risk Management and urge the three expert working groups to establish shared terminologies and taxonomies. The transatlantic partners should also encourage stakeholder involvement and ensure that regulatory bodies are adequately equipped to regulate AI and avoid duplication.

2. Semiconductors

The EU and the US should strengthen cooperation in the chips supply chain to improve resilience, ensure fair investment and boost research and development as well as manufacturing. They should align on the scope of tools such as standards, certifications, priority orders and export controls. This cooperation should be reflected in ongoing domestic initiatives – notably the respective Chips Acts – and serve a basis for further dialogue.

3. Digital tools for trade facilitation

In order to facilitate trade, the EU and the US should align their approaches to digital tools. By using digital exporting technologies, digitalising trade and customs clearance, as well as building non-discriminatory and interoperable frameworks, the TTC can encourage SMEs' uptake of technology.

Sustainability

4. Clean technology

The EU and the US need to accelerate the development and deployment of key technologies to decarbonise our economies. For this, an open approach that avoids discriminatory domestic policies will be critical. The EU-US Clean Energy Incentives Dialogue should serve to facilitate transatlantic investment in low-carbon technologies such as low-carbon hydrogen, gas and fuels. The transatlantic partners should build on previous progress around electric vehicle charging and continue to cooperate on funding and standards around joint recycling, waste management, electricity markets extension and carbon pricing mechanisms.

5. Raw materials

The EU and the US should increase responsible investments in near-term rare earth elements and critical mineral projects. A transatlantic agreement that secures sufficient and diverse supply of critical and strategic raw materials can help achieve these goals. It would also address concerns raised around the US Inflation Reduction Act. This agreement should eliminate export duties on minerals used in battery production and implement international labour standards in mineral extraction and processing. The EU and the US should also develop joint extraction and processing ventures in strategic third-countries through initiatives such as the EU Global Gateway project or the US/G7 Partnership for Global Infrastructure Investment.

6. Sustainable trade

The Transatlantic Initiative on Sustainable Trade is an opportunity for the EU and the US to collaborate on promoting policies that support a transition to low-carbon economy, address climate change and encourage a circular economy. They should also align the scope of their carbon reduction initiatives, develop common definitions of environmental goods and services and align on green procurement. All of these efforts will require sustainable investments, which can be encouraged through the establishment of a multilateral agreement on Investment Facilitation for Development under the World Trade Organisation (WTO) framework.

7. Due diligence and forced labour

The EU and the US should harmonise their due diligence approaches and work to eradicate the use of forced labour in supply chains. They should establish a multi-stakeholder task force based on the UN's Guiding Principles on Businesses and Human Rights, the OECD Multinational Expertise guidelines and the International Labour Organization Conventions. They should also apply the lessons learned from previously successful partnerships and industry initiatives.

Trade

8. Export controls

The TTC has demonstrated to be a useful platform to develop a joint approach to export controls, particularly in the context of the war in Ukraine. The EU and the US should continue to align the export controls of emerging technologies. They should avoid duplication of export licensing, harmonise intangible software and technology transfers, facilitate cooperation with industry and clarify the definition of 'export' for cloud technologies so that it excludes encrypted technology and the provision of Software as a Service.

9. Multilateral trading system

The EU and the US should maintain an open approach to trade across all workstreams of the TTC. Cooperation is required to defend the multilateral rules-based trading system and modernise the WTO so that it can finalise negotiations on e-commerce and the Environmental Goods Agreement.

10. Economic coercion and non-market practices

The EU and the US should develop a joint strategic approach to non-market economies that addresses the root causes of unfair trade practices. Any relationship with third countries should adhere to the fundamental values of free trade, fair competition and the rule of law. The TTC can be used as a platform to share information and best practices on how to tackle non-market policies and economic coercion by third countries. The EU Anti-Coercion Instrument can also offer a basis for alignment in order to define 'economic coercion', ensure aligned sanctions systems, involve the private sector and create a coordination mechanism similar to the Coordination Group. Lastly, the EU and the US should develop and apply an internationally accepted concept of competitive neutrality - with the OECD standards and recommendations as a basis.

