

 Policy Paper

LOOKING AHEAD: STRATEGIC ROADMAP FOR TRANSATLANTIC UNITY IN 2024 - TRANSATLANTIC POLICY FORUM IN REVIEW -

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Introduction

The transatlantic relationship enters 2024 amid an increasingly unstable geopolitical landscape, which will test the resolve of the postwar international order and its values in democracy and the rule of law ahead of crucial elections in the United States and the European Parliament. The Ukrainian counteroffensive, while making significant gains, fell short of meeting Western expectations, raising serious concern over whether the United States and the European Union can maintain their support for Ukraine against Russia's war of aggression. This is compounded by new crises in the European neighborhood, including the escalation of the Israel and Hamas conflict and the breakdown of the Serbia-Kosovo dialogue. In the meantime, the situation in Taiwan appears poised to continue causing friction between China and the United States, with the potential for Chinese interference to compromise Taiwanese elections.

Understanding the potential challenges there will be in 2024, experts gathered on 2-3 November 2023 for the sixth edition of the Transatlantic Policy Forum. It was hosted by EUROPEUM Institute for European Policy in partnership with the Atlantic Council, the Ministry of Foreign Affairs of the Czech Republic, and supported by the International Visegrad Fund and the US Embassy in Prague.

The Forum engaged a range of transatlantic experts to assess the multitude of foreign and security policy issues facing the transatlantic alliance and explore potential steps to mitigate these challenges. Specifically, the forum touched upon the current state of transatlantic affairs and identified key agendas that may unite or divide the US and EU leading up to the 2024 election cycle. They also analyzed the measures taken by the EU and the US in response to the escalating concern of disinformation as a national security threat, as well as strategies for ensuring energy security while fulfilling climate commitments.

Moreover, the experts delved into the present security challenges in Europe posed by Russia, the proactive role adopted by Central and Eastern Europe (CEE) in supporting Ukraine, the eastward power shift within NATO, and outlined methods for ensuring both immediate and long-term security for Ukraine. The approaches of the EU and US towards China were discussed, focusing on establishing mutually beneficial economic cooperation while effectively managing China's economic and military threats. Lastly, the Forum highlighted the emergence of the Trade and Technology Council (TTC) as an efficient coordinator in addressing global trade and investment issues, cybersecurity, and economic resilience for both the EU and the US.

This policy paper builds upon the ideas deliberated at the Forum, respecting the Chatham House Rule and, therefore, preserving the anonymity of participants. The Forum provided a wide range of inputs and interesting takeaways, including recommendations and a transatlantic “To-Do list”, which outlines action points and suggestions for the transatlantic partnership to take forward.

Navigating Narratives: The Transatlantic Stock-Taking

The Forum began with a public discussion on the current state of transatlantic relations in today's geopolitical landscape. Signs of war fatigue in support of Ukraine from both sides of the Atlantic, exacerbated by the Israel-Hamas war and increasing instability, continues to test the transatlantic collective resolve in addressing global issues. However, it was noted that the role of NATO continues to display resilience, notably in response to Russia's full-scale invasion of Ukraine, leading to a unified strategic direction that deserves recognition.

In addition, in light of Russia's war against Ukraine, the EU is set to see an unprecedented increase in defence spending in 2024. In September, the European Parliament approved a European Commission proposal to set aside an additional €625m for the European Defence Fund (EDF) and another €45m for military mobility.¹ Demonstrating stronger levels of burden-sharing by the EU – whether through financial, military, or humanitarian aid – can help balance the transatlantic partnership. However, Europe still remains reliant on the US for security, a dependency underscored by the shift of US foreign policy towards China, the withdrawal of US troops from Afghanistan, and Russia's ongoing invasion of Ukraine. The discussion revolved around whether Europe should enhance its autonomy, emphasising that such efforts should not be competitive, but rather complementary to the US given their aligned security interests.

Germany has made plans to raise defence spending to 2% by 2027, but European commitments to defence remain fragmented. The German chancellor, Olaf Scholz, recently imposed a freeze on new spending plans, which includes the €8bn Germany had pledged to give to Ukraine in 2024.² Elsewhere, Poland reached an agreement with South Korea to conduct joint military exercises on Polish soil after the Polish defence minister, Mariusz Blaszczak, held talks in Warsaw with his South Korean counterpart on supporting Ukraine's defence against Russia's war of

¹<https://www.euractiv.com/section/defence-and-security/news/european-parliament-supports-increase-in-2024-defence-budgets/>

²<https://www.ft.com/content/7db76385-d2f1-47bb-8b9d-ccf6857ff2b2>

aggression.³ Meanwhile, the US has approved a \$2bn loan to help Poland modernise its military through procurement.⁴

Beyond the threat of Russia, it was noted that there is a deepening transatlantic strategic convergence on the issue of relations with China. At the G7 summit in Hiroshima in May, the EU expressed its commitment to the Partnership for Global Infrastructure and Investment (PGII) process.⁵

Looking ahead to the US presidential and European Parliament elections in 2024, it was stated that the transatlantic alliance remains in a place of strength and notions of NATO's 'brain-death' were misplaced. But the Russian war against Ukraine has exposed Europe's heavy security dependence on the US, while continued US commitment to European security simultaneously looks uncertain with the possible return of Donald Trump to the White House. As the presidential election approaches, US voters are becoming increasingly focused on the domestic issues facing the US rather than honouring its security obligations to Ukraine and Europe as a whole.

A Gallup poll in November found that 41% of US citizens believe their country is 'doing too much' to help Ukraine, up from 29% in June.⁶ Meanwhile, the surge in support of pro-Russian parties within some EU member states complicates Biden's campaign messaging on the importance of maintaining US support for Ukraine.

³<https://apnews.com/article/poland-south-korea-security-ukraine-war-armaments-f7a14770a3ad88ff5ea9e9243f86f174>

⁴<https://www.state.gov/new-u-s-poland-foreign-military-financing-direct-loan-agreement-showcases-strong-security-partnership/>

⁵https://ec.europa.eu/commission/presscorner/detail/%20en/ip_23_4421

⁶<https://news.gallup.com/poll/513680/american-views-ukraine-war-charts.aspx>

This means that US and European political leaders who believe in the transatlantic relationship and making a long-term commitment to Ukraine face the electoral challenge of calling for further defence spending at a time of post-pandemic economic challenges, including inflation and high energy prices.

The discussion concluded with a warning of the impending conclusion of the Transatlantic honeymoon, which had been notably evident following the election of Joe Biden as US president. Even though President Biden was characterized as the ultimate 'Transatlantic president,' there was a distinctive emphasis on the imperative for a fresh cohort of transatlantic leaders as 2024 approaches. This underscores the recognition that the dynamics in the transatlantic relationship are evolving, and the need for a new generation of leaders is becoming increasingly apparent.

Disinformation: An emerging national security policy issue

The Forum held a night-owl discussion on countering misinformation and disinformation. Growing distrust in public media, society, and democratic institutions meant that disinformation had become a destabilising force. Thus, it is no longer sufficient to simply identify and counter narratives, but to treat disinformation as a national security issue. The importance of making a fact-based approach towards tackling the problem was stated from the outset.

The discussion defined the information space as an ecosystem, where the free flow of factual information can take place. It was noted that there was nothing new about the threat of disinformation as it employs similar tactics to ones used during the two World Wars and the Cold War. Credible policy measures are needed to build resilience in the information sphere and protect users from false or harmful

content. The panel highlighted the Biden administration's executive order on Artificial Intelligence (AI) as an alternative method of confronting disinformation. The point was made that AI had become an essential tool to fighting disinformation.

In Central and Eastern Europe (CEE), it was stated that the region had seen an increase in volume of disinformation and a declining level of trust in democratic institutions, including the public media. Bulgaria was cited as an important case in point as Bulgarian networks witnessed a 20-fold increase in Russian propaganda during the 2021-22 period. The Human and Social Studies Foundation, a non-governmental organisation based in Sofia, found 370 sites, created to deliberately seed disinformation and fake news, were spreading Russian propaganda in Bulgaria.⁷ Simultaneously, there has been a notable increase in the number of prominent politicians in the region aligning with Russia. This emergence of sympathetic political views towards Russia within CEE is reflected in Russian President Vladimir Putin's public expression that the Soviet invasion of Hungary and Czechoslovakia was a 'mistake' in an attempt to extend an olive branch to the region.⁸ It was noted that CEE leaders had signed an open letter calling on social media platforms to take concrete action on disinformation, such as altering algorithms to promote accuracy over user engagement.

The panel gave an evaluation of the EU's legislative response to the threat of disinformation. The Digital Services Act (DSA) and the Code of Practice were highlighted as key milestones that the EU has made on tackling this issue. These

⁷<https://www.euractiv.com/section/politics/news/almost-400-websites-spread-russian-propaganda-in-bulgaria/>

⁸<https://www.ft.com/content/768a25fe-b171-4d1c-8283-5e225ee8572b>

initiatives mean that disinformation has become a quasi-criminal offence. The DSA, for example, gives the European Commission the mandate to adopt restrictive measures against European branches of Russian media outlets.⁹ However, it was noted that the EU has to do more to combat disinformation, but faces the challenge of limited political willingness. The Taiwanese experience of disinformation and the importance of civil society collaboration was mentioned during the discussion as a potential lesson for EU disinformation policy.

The session concluded by looking ahead towards next year's presidential election in the US and asked what actions the Biden administration could take to outmanoeuvre foreign malign actors that engage in disinformation. It was stated that the threat of disinformation will have an impact on the margins (where election results are decided). However, there are measures that the US could take to protect the integrity of its democratic processes. Firstly, social media platforms should be incentivized to root out false or harmful content. Secondly, investment in people-to-people relationships is needed to try to target the motives of disinformation instead of simply identifying false narratives. Thirdly, the government should call on news media companies to verify the authenticity of their content.

⁹<https://blogs.lse.ac.uk/europpblog/2023/09/01/a-short-history-of-eu-anti-disinformation-policy/>

Fortifying the future of Ukraine and CEE neighbourhood: Why a stronger Ukraine means a stronger NATO

The second day of the Forum began with a discussion on the future of Ukraine and the Central and Eastern Europe neighbourhood by stating the imperative of building a credible and sustainable policy towards the region. While Russia's expectations of a quick and easy victory over Ukraine proved to be a severe miscalculation, the European security situation remains poor. The states of Central and Eastern Europe (CEE), which have suffered from Russian imperialism themselves, demonstrated a far greater awareness of Russia's threat to European security than their Western counterparts. It was noted that Russia's president, Vladimir Putin, has made public threats towards Poland and the Baltic States. Thus, the US should be doing more to recognise the CEE region's proactive leadership in supporting Ukraine and ensuring its long-term security. Despite the economic impact of sanctions, the Russian economy has managed to adapt to war. Further action needs to be taken to deprive Russia's capabilities to wage aggression and create conditions for Ukraine's postwar recovery and reconstruction, with Central and Eastern Europe playing a central role.

The session moved on to NATO and the steps it has taken to adapt to the new European security situation that emerged in February 2022. It was acknowledged that NATO allies had failed to respond adequately to the Russian threat in 2008 (invasion of Georgia) and 2014 (annexation of Crimea), which emboldened the Kremlin's decision to launch a full-scale invasion of Ukraine in 2022. The unprovoked Russian assault raised the issue of defence and deterrence along NATO's eastern flank, with Estonia's prime minister, Kaja Kallas, calling for the

transition from enhanced forward presence (EFP) to forward defence.¹⁰ At the Madrid Summit, NATO allies agreed to define Russia as the most significant and direct threat in the alliance's new Strategic Concept.¹¹ Preparations are now being made in NATO to conduct the largest live joint command exercise since the Cold War in the spring of next year, which will assemble 40,000 troops under the Steadfast Defender exercise.¹² However, the Forum admitted that NATO had struggled to build capacity to defend its eastern flank, with Russia having endless potential to develop disruptive policies. Russia's capability to build alliances with other malign actors, such as China and Iran, and unite the Global South against the West calls on NATO to do more. The Forum highlighted the imperative of offering Ukraine a full NATO membership perspective, combined with a long-term commitment to its security.

Discussions concluded with an assessment of the security assurances made to Ukraine. A mutual understanding among Allies of the endgame in Russia's war against Ukraine is needed because the lack of a strategic Russian defeat would enable Vladimir Putin to regroup and remobilise his forces for a fresh assault. While sanctions have limited Russia's access to international markets and foreign currency, the impact of these measures have been offset by circumvention. For example, traders have ignored the \$60-per-barrel cap imposed on Russian crude oil revenues by the G7 and the EU.¹³ The design and implementation of strict

¹⁰<https://www.reuters.com/world/europe/estonia-calls-nato-stronger-defence-its-baltic-members-2022-03-01/>

¹¹https://www.nato.int/nato_static_fl2014/assets/pdf/2022/6/pdf/290622-strategic-concept.pdf

¹²<https://www.ft.com/content/6c7a6941-2e0c-46d0-baf5-f53b681d2936>

¹³<https://www.politico.eu/article/russia-oil-price-cap-ukraine-war-centre-research-energy-clean-air/>

measures to target Russia's ability to circumvent sanctions are therefore key. On the Ukrainian counter-offensive, it was noted that, while making substantial progress, results so far have been limited. Thus, any further security assurances made must contain improvements to Ukraine's air, land, and sea defence capabilities. Specifically, the enhancement of Ukraine's technological edge, while maintaining the provision of arms, was highlighted as a critical component of any future guarantees made. Nonetheless, the Forum reiterated that the only security guarantee for Ukraine remains nothing less than membership of NATO.

The design and implementation of security assurances for Ukraine is critical to the success of the country's postwar reconstruction - and a crucial key area of transatlantic cooperation. It is in the strategic and economic interests of the US and its partners to ensure Ukraine emerges from this war as a restored and vibrant economy with the capabilities to deter potential future acts of Russian aggression. While the outcome of the war remains uncertain, what is clear is that a destroyed and economically stagnant Ukraine may encourage Russia to launch a fresh assault. The EU, and particularly EU member states from the CEE region, have a critical role to play in enabling Ukraine to modernise its post-Soviet economy in preparation for EU accession. Meanwhile, the US can complement the EU's financial assistance by providing the defence and security capabilities Ukraine needs to reform without the threat of a further attack from Russia. A credible European perspective is essential for building long-term investor confidence, enabling the export of Ukrainian goods and services on the international market, and consolidating a strong and independent judiciary (one of the key conditions of EU membership). The European Commission has given its recommendation to the European Council to commence accession talks with Ukraine along with Moldova once it has met the remaining conditions on fighting corruption, limit the

influence of oligarchs, adopting a law on lobbying in line with EU standards, and strengthening national minority safeguards.¹⁴

The Forum highlighted that the Russian threat encompasses more than the battlefield in Ukraine and extends into other regions of the European neighbourhood. While the focus of policymaking is rightly on building Ukrainian and NATO defence capabilities to confront Russia, attention should also be given to Russian interference and hostility in the Western Balkans, Moldova, and the Black Sea. The US treasury has imposed sanctions on Aleksandar Vulin, the head of Serbia's Security Intelligence Agency (BIA), after the US alleged that Vulin used his position to destabilise the region on Russia's behalf.¹⁵ It has also been reported that Russia is recruiting ethnic Serbs and their paramilitary groups to join its armed forces in Ukraine.¹⁶ In Moldova, a new national security strategy unveiled last month warns about 'the severe effects on the statehood, democracy, and prosperity' of the EU candidate country if Russia and its proxies are not countered. Russia's actions in the Black Sea represent another deliberate attempt to coerce its neighbours. Russian suspension of the Black Sea Grain Initiative and attacks on Ukrainian ships transporting grain have undermined global food security while damaging Ukraine's economy.

¹⁴https://neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/COM_2023_690%20Communication%20on%20EU%20Enlargement%20Policy_and_Annex.pdf

¹⁵<https://home.treasury.gov/news/press-releases/jy1606>

¹⁶<https://www.theguardian.com/world/2023/oct/18/russia-recruits-serbs-in-drive-to-replenish-military-forces-in-ukraine#:~:text=After%20a%20few%20days%20in,contract%20with%20the%20Russian%20military.>

Preventing the next climate and energy crisis - Europe's competitiveness and renewable transition hold the key to reducing costs while ensuring supply security

As the US and the EU look to prevent future energy crises, ensuring energy resilience remains vital in establishing a more secure and sustainable energy future in the wake of the Covid-19 pandemic and Russia's full-scale invasion of Ukraine. Discussions began with an overview of the energy security challenges facing Europe. It was noted that the EU had achieved its target of securing gas storage facilities at 90% ahead of the November 1st deadline. Meanwhile, since Russia's invasion of Ukraine, EU gas imports from Russia have reduced to 10% and a switch to liquified natural gas (LNG), primarily from the US, has taken place. Between January and November 2022, LNG imports from the US accounted for over 50 bcm, more than twice as much as in the whole of 2021 (over 22 bcm).¹⁷ Decrease in Russian gas imports meant that energy prices have remained high. In the first half of 2023, average household electricity prices in the EU continued to show an increase compared with the same period in 2022, from €25.3 per 100 kWh to €28.9 per 100 kWh.¹⁸

It was stated that energy policies should aim to reduce costs while ensuring the security of supply. However, the EU had failed to develop a war-time mentality towards energy security and found it difficult to focus on the short- and medium-term challenges it presents. Europe has so far benefitted from low levels of demand in other markets globally, a warm winter in 2022-23, and largely smooth

¹⁷<https://www.consilium.europa.eu/en/infographics/eu-gas-supply/>

¹⁸<https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20231026-1>

operations at LNG transport facilities in the US.¹⁹ Nuclear and hydro renewables were highlighted as the key energy sources to build Europe's resilience in a secure and sustainable way. It was noted that reducing the risk premium associated with nuclear power is critical to enabling the financing and development of nuclear capacity. On hydro renewables, the experience of Scandinavia offers a potential way forward for the rest of Europe to adopt a renewable-based energy infrastructure. Sweden, for example, received almost two-thirds of its energy from renewable sources (the EU member state with the highest share of renewable energy in 2021).²⁰

However, experts mentioned that Europe had failed to appreciate the scale of the failure in terms of energy supply. Limited investment has been made in research and development (R&D) over the last two decades. While EU governments increased R&D allocations by 5% in 2022 (4.7% of which went to energy), barriers to energy R&D investment remain in place. The collapse of Silicon Valley Bank (SVB) - a key finance provider for start-ups - in 2023 as a result of rising interest rates has made the macroeconomic conditions for energy R&D investment more difficult.²¹ The EU's eroding industrial competitiveness and ability to secure a green transition is also emerging as a key challenge as the EU looks to secure resilient energy supplies. Taxation remains a policy decided at the EU member state level, but some have suggested that lessons could be learned from the Biden administration's Inflation Reduction Act, which offers extended tax breaks to new

¹⁹<https://www.energymonitor.ai/policy/europe-why-analysts-are-so-worried-about-energy-security-next-winter/?cf-view>

²⁰<https://www.euronews.com/green/2023/01/20/which-european-countries-use-the-most-renewable-energy>

²¹<https://www.iea.org/commentaries/energy-innovation-investment-remained-resilient-to-shocks-in-a-turbulent-2022>

green projects.²² The alignment of tax policy may offer new incentives for R&D investment that can help boost Europe's renewable transition.

With escalating energy and climate challenges, the United States and the European Union must maintain momentum and establish a practical schedule for enacting these policies. As 2024 agendas take shape, there is a pressing need to solidify energy and climate politics. The imminent UN Climate Change Conference, scheduled from November 30 to December 12, 2023, seeks to define global standards and objectives for 2024. The key question revolves around leadership and their commitment to adhering to these goals.

Empowering economic resilience: are the EU and US beginning to see eye-to-eye on China?

The next session focused on identifying a path towards mutually beneficial economic cooperation with China while effectively managing the challenges posed by its economic and military activities. The discussions started with an examination of whether the US and the EU can pursue strategic coherence on this issue. It was stated that reaching an economic consensus on China should form the basis of EU-US collaboration. The failure to secure an agreement on steel and aluminium imports at the EU-US summit in Washington, DC was a reminder that there is still work to do to reach consensus. However, positive steps have been taken in recent months, such as the G7 agreement on PGII and the EU's Global Gateway Initiative. Africa and the Indo-Pacific were highlighted as key regions where the US and the EU could work together on China.

²²<https://www.ft.com/content/48b787a6-9643-448a-af8a-1d32aa0e2e73>

The session moved on to discussing the 'de-risking' approach adopted by the EU. Alluding to the European Union's more restrained approach towards China compared to the United States, this is driven by the bloc's strategy to protect its economic interests through the cultivation of relationships with the world's second-largest economy. It was stated that it has been difficult for the EU to build consensus on what 'de-risking' means in practice. Germany, for example, remains excessively reliant on its exports to China, which represent more than 3% of Germany's GDP (the highest rate in the EU).²³ In contrast, China's support for Russia's war of aggression against Ukraine has led EU member states from Central and Eastern Europe to adopt a hardened position on Beijing. Europe is also particularly dependent on China for trade in renewable energy. Chinese firms accounted for 20% of EU imports during the first half of 2023.²⁴ Nonetheless, discussions emphasised the importance of building Europe's resilience by reducing its dependency on China. Trade policy was highlighted as an area where the EU could act in this area, as well as making the single market more competitive and diversifying its supply chains of critical materials.

On the issue of the EU's dependency, it was noted that overestimating the threat gives China undue credibility and importance, which may distort foreign policy decision-making. Thus, it is important to make a balanced assessment of China's capabilities. It was suggested that China poses more of an economic challenge than a military one. Thus, an accurate and balanced understanding of China's military build-up may help find convergence between the EU and the US on this

²³<https://www.economist.com/finance-and-economics/2023/08/17/the-german-economy-from-european-leader-to-laggard>

²⁴<https://www.ft.com/content/47d121d0-00d5-4308-b68f-da29b99616a2>

issue. While the rapid modernisation of the Chinese armed forces has raised concern over a potential war between China and the US, it has been pointed out that the build-up in fact serves a number of political and military purposes.²⁵ More recently, a high-level US military official expressed doubt that China wanted to launch an invasion of Taiwan and urged the US and its allies to pay attention to alternative methods used by Beijing to increase pressure on the Taiwanese government (whether militarily, diplomatically, or economically).²⁶ While emphasising the growing tensions in the Indo-Pacific, the session highlighted that China has been using subsidies to modernise its security capabilities and engage in economic coercion against its neighbours.

The key takeaway from this session emphasized the imperative for a more robust and synchronized strategy in addressing both the ongoing economic and military challenges posed by China, alongside fostering greater collaboration with democratic allies in the Indo-Pacific region. Despite potential conflict scenarios, the Indo-Pacific is predominantly characterized by bilateral or trilateral relationships rather than a formalized NATO-like alliance. The uncertainty persists regarding whether a potential second front would fracture, fragment, or fortify the collective determination of the United States and the European Union.

²⁵<https://www.rand.org/pubs/commentary/2023/03/why-is-china-strengthening-its-military-its-not-all.html>

²⁶<https://www.ft.com/content/64c5862f-b4a8-465c-813f-585d0207ab8d>

Trade and technology cooperation: is the TTC fit for purpose?

The final session of the Forum focused on EU and US efforts to accelerate the enhancement of digital resilience since Russia's full-scale invasion of Ukraine and the emerging role of the Trade and Technology Council (TTC) in critical global trade, economic, and technology issues. Discussions began with an examination of the progress made in the TTC and its main priorities. The Forum raised the concern that if the EU and the US fail to make progress in the bilateral sphere, it will be difficult for the TTC to find a common strategic approach on core geopolitical challenges. It was suggested that the TTC should aim to establish a transatlantic market space for green technology and digitised trade procedures.

The session shifted to EU-US cooperation on issues in digitisation and trade with China. China's dominance in the renewable energy sector was highlighted as a challenge for Europe as it raises the likelihood of the EU replacing its dependency on Russian fossil fuels with Chinese goods necessary for the green transition. Thus, it is important for the TTC to explore the creation of a clean tech market space to enhance resilience. The EU and the US should look to resolve trade disputes after the EU-US Washington Summit failed to resolve long-running disagreements over tariffs and US green subsidies.²⁷ The EU's emerging reliance on China for critical materials means that the bloc should also map dependencies in supply chains.

The European Commission has proposed carrying out risk assessments in supply chain resilience, physical and cyber security of critical infrastructure, technology

²⁷<https://www.reuters.com/business/eu-seeking-resolve-trade-irritants-with-us-summit-2023-10-19/>

security, and weaponization of economic dependencies or economic coercion.²⁸ Harmonising standards with international organisations is another area where the TTC can strengthen transatlantic cooperation. The European Parliament's adoption of the OECD's definition of AI was key to resolving a sticking point in the AI Act - the EU's flagship legislative proposal to regulate AI based on its capacity to cause harm.²⁹ The session also called for a new offer to be made to the Global South on free trade, financial and technical assistance, and incentivising the adoption of new standards.

The session concluded with a discussion on the next steps for the TTC. It was stated that the TTC has performed strongly in building relationships, but stakeholder engagement remains non-existent. Engagement with stakeholders is key to aligning the transition to net zero with joint EU-US security objectives. The TTC should work to reduce red tape and other barriers to trade and investment. Finally, institutionalising the TTC, with the establishment of a Secretary-General position and court of arbitration, was proposed as a course of action to be taken.

²⁸<https://www.reuters.com/world/with-eye-china-eu-maps-out-de-risking-economic-security-strategies-2023-10-05/>

²⁹<https://www.euractiv.com/section/artificial-intelligence/news/eu-lawmakers-set-to-settle-on-oecd-definition-for-artificial-intelligence/>

Transatlantic To-Do List

The Forum concluded with its annual transatlantic to-do list which identifies key areas for the transatlantic partnership to address over the next year.

Security guarantees for Ukraine are key to consolidating its postwar reconstruction and meeting its conditions for EU accession. **The EU and US should therefore work together to lead the design and implementation of these guarantees to ensure that Ukraine can fulfil its process of European integration without the threat of Russian aggression after the war ends.**

The Trade and Technology Council has emerged as a key pillar of transatlantic cooperation, but its development has been held back by EU and US differences on geopolitical issues, particularly economic relations with China. **Institutionalizing the TTC, such as creating the position of Secretary-General and establishing a Court of Arbitration, is critical to building EU and US convergence while enhancing shared digital resilience.**

The switch to liquefied natural gas from Russian gas and oil imports since the full-scale invasion of Ukraine in February 2022 exposed Europe's vulnerability to manipulations and disruptions in the international energy market. **Development of EU energy policy, including investment in R&D and identifying dependencies in supply chains, will be key to Europe's energy diversification, boosting the single market's competitiveness, and ensuring the security of supply.**

Disinformation has emerged as a national security issue, which means it is no longer sufficient to simply identify false narratives. **Smarter policies should be developed at EU-level to fight disinformation, including targeting the motives of foreign malign actors to engage in disinformation, safeguarding the integrity of the flow of information in public media organisations, and incentivising social media platforms to root out false or harmful content.**

Transatlantic divergence exists on the issue of China as the EU pursues a ‘de-risking’ approach, which seeks to maintain close economic ties with the world’s second-largest economy. **Making a balanced assessment of China’s capabilities, including economic coercion against its neighbours, should be explored to help build EU-US consensus on the threat that China poses, whilst maintaining economic resilience.**

Russia’s invasion of Ukraine has revealed the importance of EU and US engagement with the Global South to help build the international support that Ukraine needs and ensure the resilience of rule-based multilateralism. **Policy should therefore aim to respect the independent foreign policy choices of states from the Global South, but make new offers in trade and investment, such as financial assistance and the harmonisation of trade standards and procedures.**

Enforcement of sanctions against Russia since February 2022, while inflicting cost to the Russian economy, have failed to deter its aggressive actions against Ukraine. **The EU and US need to get tougher on Russia’s ability to circumvent sanctions, particularly through targeting exports of goods to Russia.**