



GLOBAL EUROPE

Protecting and Promoting Business in the European Single Market

Explainer

By Alexander Conway | May 2022



Protecting and Promoting Business in the European Single Market

This explainer explores how the EU plans to protect EU business and promote the strategic autonomy of the European Single Market, and outlines the various legislative instruments that the European Union either has in place or is in the process of implementing. The measures identified below are designed to address issues of: the EU’s strategic dependence on third countries, the need for diversification of supply-chains, ways to improve European industrial and productive capacity, and ways to promote human rights and environmental protection in value and supply chains, in accordance with the EU’s new industrial policy.

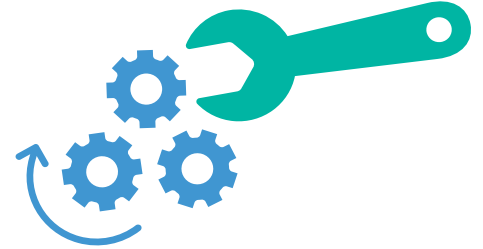
These thirteen tools are divided here into three distinct categories: **legislative instruments**, **investment programmes** and **strategic partnership** initiatives, and cross-referenced against whether they are proactive measures, defensive reactive ones or perform both functions.

| SINGLE MARKET MEASURES FOR STRATEGIC AUTONOMY | | | |
|--|---|--|---|
| | Proactive | Reactive | Proactive and Reactive |
| LEGISLATIVE INITIATIVES | <ul style="list-style-type: none"> • Export Control Regulation • Enforcement Regulation • Trade Mirror Clauses | <ul style="list-style-type: none"> • Single Market Emergency Instrument • Anti-Coercion Instrument • Foreign Direct Investment Screening Regulation • Anti-Dumping, Anti-Subsidies, Safeguards | <ul style="list-style-type: none"> • Carbon Border Adjustment Mechanism (CBAM) • International Procurement Instrument |
| | Proactive | Reactive | Proactive and Reactive |
| INVESTMENT PROGRAMMES | | <ul style="list-style-type: none"> • European Chips Act | <ul style="list-style-type: none"> • Industrial Alliances • Important Projects of Common European Interest (IPCEIs) |
| | Proactive | Reactive | Proactive and Reactive |
| STRATEGIC PARTNERSHIPS | <ul style="list-style-type: none"> • Global Gateway • EU-US Trade and Technology Council (TTC) | | |

Legislative Instruments

1. Single Market Emergency Instrument (SMEI)

In response to the severe disruptions to global supply-chains caused by the COVID-19 pandemic, the European Commission, as part of its New Industrial Strategy,¹ proposed a “Single Market Emergency Instrument” (SMEI), effectively, an export control measure. The goal is to reinforce and strengthen the governance and resilience of the Single Market and to ensure the free flow of “critical goods” and services during crises.



This four-pronged mechanism, which was expected in Q1 2022, aims to ensure the EU can identify and address critical product shortages by better coordinating EU export and services restrictions, harmonising standard assessments, enhancing Single Market surveillance to identify and address potential developments, and reinforcing public procurement cooperation at an EU level.²

These export controls, coupled with EU-level coordination of *collective* public procurement of critical goods or services, such as vaccine supplies would, also be aligned with forthcoming EU proposals on a Health Emergency Preparedness and Response Authority (HERA), and an EU Contingency Plan for Transport and Mobility³. They would enable the EU to better address external challenges for critical supply-chains for health products and maintain essential transport and logistics services.

They could potentially be applied to other “critical” policy areas like the energy and food sectors. The SMEI could play an essential role in the context of the current Russia-Ukraine conflict or other future crises as it shores up the resilience and smooth functioning of the Single Market and reduces European dependencies for critical goods on countries like China or Russia.



2. Export Control Regulation

The EU’s Export Control Regulation⁴ relates to strategically important dual-use products, goods, software, and technologies⁵ which can have both civilian and military applications, in line with EU and Member States’ international obligations under the UN Security Council nuclear non-proliferation, chemical and biological weapons conventions. It also provides for *common EU* export rules, assessment and authorisation criteria, control and monitoring measures for exporters and a network of EU authorities ensuring the implementation and enforcement of control measures to monitor supply-chains and protect the Single Market.⁶

1. <https://www.bing.com/ck/a?!&p=0267ce90271a98b2d3b7a197df3b8a7165d8ea739a04ad76a7b06269129d3a3cJmltdHM9MTY0ODEyOTI0NiZpZ3VpZD11NTY5YjEwMS1jZTRiLTQzYjltYjdlNy0zYmM0YVWQ2Nzg5YjMmaW5zaWQ9NTE1NQ&ptn=3&f-clid=02202d6d-ab78-11ec-b6c0-d6ea8c4d5233&u=a1aHR0cHM6Ly9lYy5ldXJvcGEuZXUvY29tbWlzc2lvbi9wcmVzc2NvcM5lci9hcGkvZm-lsZXMvYXR0YWNobWVudC84NjMwNjcvRVVfaW5kdXN0cmhbf9zdHJhdGVneV9lbi5wZGYucGRmP21zY2xraWQ9MDlyMDJkNmRhYjc-4MTFIY2I2YzBkNmVhOGM0ZDUyMzM&ntb=1>

2. [communication-industrial-strategy-update-2020_en.pdf \(europa.eu\)](#) p.9

3. [Pandemic contingency plan for freight transport - Council adopts conclusions - Consilium \(europa.eu\)](#)

4. [EUR-Lex - 32021R0821 - EN - EUR-Lex \(europa.eu\)](#)

5. [BAFA - Export Control](#)

6. [2021 Export Control Forum - Panel 3 - Presentation 1 \(europa.eu\)](#)

Member States may add further restrictive measures due to public security or human rights concerns, as well as potential sanctions on certain exports outside the EU. In 2021 the previous Export Control Regulation was revised to include export control provisions for preventing terrorist acts. It was also expanded to include end-use controls on cyber surveillance products (including facial recognition software) which may be used for violation of human rights, international humanitarian law or facilitate internal repression outside EU territory.^{7,8}

3. Anti-Coercion Instrument (ACI)

The aim of Anti-Coercion Instrument (ACI) regulation, currently under discussion between the Council of the EU and the European Parliament, is to provide the EU with the means to dissuade or counter economic coercion. This occurs where third countries interfere in the legitimate sovereign choices of the EU or force individual Member States to adopt political positions or policy choices by imposing measures which impact trade or investment policies, in line with the EU's obligations under international law.⁹

Under this proposed act, the Commission would assess whether measures by third countries reach the threshold of economic coercion, and engage directly with them on behalf of the EU, including by raising complaints in international fora. The Commission could impose equivalent trade measures on third countries such as, extra duties, exclusion from public procurement tenders, export restrictions and limit FDI.^{10,11}

The French Presidency of the Council of the EU strongly supports the development of autonomous trade defence instruments, like the ACI, as part of its strategic autonomy agenda to ensure trade-reciprocity and to defend against “unfair or coercive practices” by non-EU countries.¹² Anti-coercive measures could be requested by any Member State, and these measures could be vetoed by Member States by a qualified majority¹³ following an objective investigation by the Commission, which all 27 Member States would then be obliged to enforce. However, the political implications of (in)action would also need to be evaluated if an ACI is adopted into EU law.¹⁴ The current complaint raised by the EU in the WTO following Chinese trade restrictions against Lithuania could be addressed by an ACI measure in future.¹⁵



7. [EU dual-use export controls regulation comes into force | Fieldfisher](#)

8. [A New Era of Export Controls Begins in the EU: The Revised EU Dual-Use Export Controls to Promote Human Rights | Global Trade Law Blog](#)

9. [Commission proposal for an anti-coercion instrument \(europa.eu\) p.15-16](#)

10. [The EU's Anti-Coercion Instrument: A Big Stick for Big targets - Leiden Law Blog](#)

11. [Brussels is vowing to fight back against economic coercion. But how far will it go? | Euronews](#)

12. [en_programme-pfue-v1-2.pdf \(europa.eu\) p.22](#)

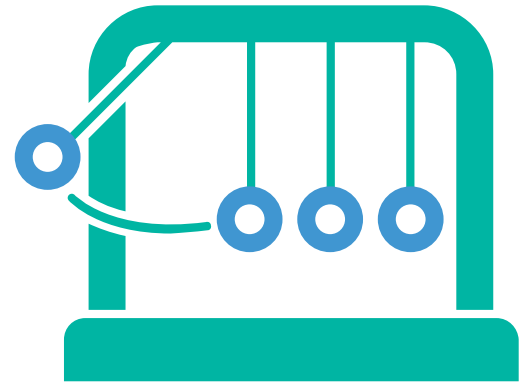
13. [Commission proposal for an anti-coercion instrument \(europa.eu\) p.6](#)

14. [Tough trade: The hidden costs of economic coercion – European Council on Foreign Relations \(ecfr.eu\)](#)

15. [EU refers China to WTO following its trade restrictions on Lithuania - Trade - European Commission \(europa.eu\)](#)

4. Enforcement Regulation

The EU's Enforcement Regulation is concerned with ensuring the EU can suspend or withdraw privileges, concessions, or obligations in response to breaches by third countries of international trade rules which impact EU or Member States' commercial interests.¹⁶ The effective blockage at the WTO's Dispute Settlement Body's Appellate Board since 2019,¹⁷ over an impasse to nominate and appoint members to the WTO Appellate Board by the US and China, a key facet of international trade dispute settlements, poses a considerable challenge for the EU as it is prevented from obtaining the final binding rulings needed to implement the Enforcement Regulation's provisions. As a result, the Enforcement Regulation was amended¹⁸ to protect EU commercial interests despite illegal measures by third countries, which have paralysed dispute settlement processes.¹⁹ These enforcement measures also apply to regional and bilateral EU trade agreements, and the political and institutional commitment to a more robust enforcement is evidenced by the appointment a **Chief Trade Enforcement Officer** in the European Commission's DG TRADE.²⁰



5. Foreign Direct Investment Screening Regulation

The foreign direct investment (FDI) screening regulation, which entered into force in October 2020, is not an EU-level screening instrument, but rather establishes minimum requirements and coordination channels for *national FDI assessments*, and strongly encourages all Member States to implement FDI screening mechanisms.²¹ The regulation obliges Member States, upon request by other Member States or the European Commission, to provide information on any relevant FDI transactions including: targets' ownership structures, business operations, services and (if relevant) locations in other EU Member States.

Central to the regulation are two concerns. One is to reinforce and protect the Single Market given the fragmented or absent nature of national screening mechanisms. The second is to monitor and assess the potential impacts of FDI by non-EU sources on critical infrastructures, technologies, dual-use products, raw materials, telecommunications, and media sources,²² amid concerns about a "highly volatile global environment and escalating security challenges."²³ Unlike the Commission's role in blocking corporate mergers as part of EU competition policy, it can only facilitate submissions on the basis of security or public order concerns for FDI to Member States which then decide whether to take action.²⁴

16. EUR-Lex - 32014R0654 - EN - EUR-Lex (europa.eu)

17. International trade dispute settlement: WTO Appellate Body crisis and the multiparty interim appeal arrangement | Think Tank | European Parliament (europa.eu)

18. EUR-Lex - 32021R0167 - EN - EUR-Lex (europa.eu)

19. Regulation (EU) 2021/167 amending Regulation (EU) No 654/2014 concerning the exercise of the Union's rights for the application and enforcement of international trade rules – European Sources Online

20. EU strengthens trade enforcement arsenal with revamped regulation - Trade - European Commission (europa.eu)

21. REGULATION (EU) 2019/ 452 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL - of 19 March 2019 - establishing a framework for the screening of foreign direct investments into the Union (europa.eu)

22. EU Regulation on Foreign Direct Investment Screening | Global law firm | Norton Rose Fulbright

23. First Annual Report on the screening of foreign direct investments into the Union - Brochure (europa.eu) p.2

24. The EU foreign investment mechanism is now operational | Insight | Baker McKenzie

6. Carbon Border Adjustment Mechanism (CBAM)

The Carbon Border Adjustment Mechanism (CBAM), currently under discussion, is premised on the purchase of certificates by importers, for importation of carbon-intensive products into the EU. The calculations are based on the EU Emissions Trading System (ETS) emissions weekly averages (euros per tonne of CO₂ emitted). If adopted, this proposed regulation would impose levies on certain carbon-intensive EU imports (initially limited to iron, steel, cement, fertiliser, aluminium, electricity generation) to account for the “true” carbon prices embedded in products. The CBAM aims to prevent EU manufacturers being penalised for their adherence to more stringent EU emissions standards, avoid “carbon leakage” with the relocation of carbon-intensive production to less strictly regulated jurisdictions with weaker climate rules, and to ensure that EU emissions reduction measures meaningfully contribute to total global emissions when it comes into effect in 2026, following a transition period.



Implementing a CBAM is a key priority for the French Presidency of the Council of the EU (and subsequent Czech and Swedish presidencies), particularly given its role in increasing the political and “social acceptability” of climate transition measures. A CBAM also forms part of the EU’s strategic autonomy agenda in terms of protecting the Single Market from uncompetitive and polluting economic practices, as well as projecting European regulatory and political influence as a leader on climate change.

However, a CBAM could also be interpreted as a discriminatory protectionist measure against more carbon-intensive economies and may cause a restructuring of supply-chains between jurisdictions with different degrees of environmentally stringent legislation. It could also pose challenges for trade between Ireland, as part of the Single Market, and the unique case of Northern Ireland.

7. Reinforced Anti-Dumping, Anti-Subsidies, Safeguard Investigations

Anti-Dumping



“Dumping” is the exportation of a product into the EU by a non-EU firm at a price below either the cost of production and exportation, or else the standard price that the product is sold at in its home market. The EU’s Anti-Dumping Regulation allows for the investigation of dumping claims which injure European producers based either on formal complaints submitted by manufacturers or of the Commission’s own volition based on sufficient evidence, and the imposition of punitive duties or enforced price undertakings to set minimum prices. Anti-dumping measures can be implemented if:

dumping can be established, European industry materially suffers as a result, there is a demonstrable causal link between the dumping and material injury, and when anti-dumping measures would not be against the European interest.²⁵ This assessment has been altered to account

25. [tradoc_151016.pdf \(europa.eu\)](#)

for market distortions by exporters which may contribute to dumping practices, with specific reference to China and Russia, in order to calculate “normal” prices.²⁶ For example, a 22.3% duty was imposed on aluminium road wheel imports in 2012 from China following evidence of state subsidies.²⁷

Anti-Subsidies

Government subsidies which benefit indigenous industries to the detriment of competitors in third countries distort fair competition and injure producers. The EU’s Anti-Subsidy Regulation²⁸ enables the Union to impose anti-subsidy countermeasures to negate the unfair advantages garnered by subsidies which negatively impact specific firms or sectors. Like anti-dumping measures, these are imposed following a formal complaint, and a subsidy can be discerned which causes European industry to materially suffer as a result as long as there is a demonstrable causal link between the subsidy and material injury, and when measures would not undermine European interests.

As a result of blockages at the WTO dispute settlement mechanism, and the unprecedented implications of the COVID-19 pandemic for state aid provisions and subsidies for businesses,²⁹ the European Commission adopted a proposal for a regulation on foreign subsidies distorting the Single Market in May 2021 on the grounds that they unfairly advantage non-EU firms over EU firms who are subject to strict state aid rules. This regulation, currently under discussion between the European Parliament and the Council of the EU,³⁰ would: have a notification mechanism for non-EU financial contributions of at least €50m to EU firms which may be acquired via mergers with a threshold of €500m per annum turnover; notification of non-EU financial contributions for public procurement bids worth at least €250m; investigative powers for other market situations below the previous thresholds at the request of Member States or of the Commission’s own volition. The purpose of this regulation is to shore up the Single Market’s resilience against unfair economic practices and preserve a level economic playing-field for firms and consumers.^{31,32} This regulation aims to plug a gap in the EU’s trade defence measures whereby non-EU subsidies can distort investment decisions, market operations, pricing, mergers, or public procurement bids³³ and seeks to assuage political concerns over the influence of non-EU actors and firms in the Single Market. It may also have implications for firms subject to favourable tax, commercial or legislative incentives in other jurisdictions in critical industrial sectors, which the European Commission may extend to its extra-territorial remit³⁴ in the interests of the Single Market and Union as a whole.

Safeguard Measures

Safeguards are not concerned with the fairness of trade measures, but rather when EU industry is subject to unforeseen, sudden, and sharp increases in imports, which apply to the particular import product (i.e., steel)³⁵ from *all* countries.³⁶ The purpose of the EU safeguard regulation³⁷ is to allow for

26. [The EU’s new trade defence rules and first country report \(europa.eu\)](#)

27. [Case history Aluminium road wheels \(certain\) - Trade - European Commission \(europa.eu\)](#)

28. [EUR-Lex - 02016R1037-20200811 - EN - EUR-Lex \(europa.eu\)](#)

29. [Distortive foreign subsidies \(europa.eu\)](#)

30. [Distortive foreign subsidies | Legislative train schedule | European Parliament \(europa.eu\)](#)

31. [EUR-Lex - 52021PC0223 - EN - EUR-Lex \(europa.eu\)](#)

32. [foreign_subsidies_white_paper.pdf \(europa.eu\)](#)

33. [“Anti-Subsidy” Regulation – A New Big Stick in the EU Regulatory Arsenal - Kluwer Competition Law Blog](#)

34. [New EU Anti-Subsidy Regulation: Is the Tech Sector ready? | Global law firm | Norton Rose Fulbright](#)

35. [EU prolongs steel safeguard for three years - Trade - European Commission \(europa.eu\)](#)

36. [Safeguards - Trade - European Commission \(europa.eu\)](#)

37. [EUR-Lex - 32015R0478 - EN - EUR-Lex \(europa.eu\)](#)

temporary relief for industries to adjust and restructure their operations to new economic realities. Following an investigation by the Commission, these measures may lead to quantitative restrictions on imports of the product under investigation, like import or tariff quotas, from any non-EU country, whether they are in the WTO or not,^{38,39} and surveying them through automatic import licensing.⁴⁰

8. Trade Mirror Clauses

A central plank of the French Presidency of the Council of the EU's programme is the incorporation of mirror clauses into all future EU trade agreements as part of strengthening European strategic autonomy,⁴¹ with a particular focus on agricultural production.⁴² These clauses would require EU trade partners to observe reciprocal production standards as EU producers, and could also be applied beyond technical requirements to include human rights standards and environmental protections, to ensure European producers are not undercut by less stringent or rigorous standards elsewhere. Mirror clauses are on the more proactive end of the spectrum of strategic autonomy, where the EU can leverage the attractiveness of the Single Market to non-EU markets and establish itself as a global standard-setter for agricultural production, pesticide use, human rights provisions, or environmental protections like anti-deforestation provisions.



The potential introduction of mirror clauses is likely to meet considerable political opposition as the effective imposition of potentially more strenuous EU standards for some non-EU producers who have little or no input into their design could interpret it as illegitimate discrimination and disruption to trade.⁴³ The relevance of mirror clauses for distinct climates or biomes with different demands than those of Europe's mostly cool, temperate climate may also be seen as impractical or detrimental to the economic well-being of other producers.⁴⁴



9. International Procurement Instrument (IPI)

The EU has proposed an international procurement instrument (IPI) which effectively limits access to EU public procurement contracts, worth approximately €2trillion, to non-EU firms from countries which do not offer reciprocal access to their national public procurement tenders for EU firms.⁴⁵ The purpose of the instrument is two-fold, both to encourage third countries to open up their public procurement contracts to EU companies to increase their market access and the influence of EU firms, and also to limit access to firms from countries

38. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R0755&qid=1542710174678&from=EN>

39. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R0478&qid=1542709857126&from=EN>

40. tradoc_151032.pdf (europa.eu)

41. <https://presidence-francaise.consilium.europa.eu/fr/programme/programme-de-la-presidence/>

42. [Macron's fair trade 'crusade' faces enemies within – POLITICO](#)

43. [Agrifood Brief: Mirror, mirror – or a wall? – EURACTIV.com](#)

44. [Sustainable global food systems? EU Green Deal's unexpected consequences – EURACTIV.com](#)

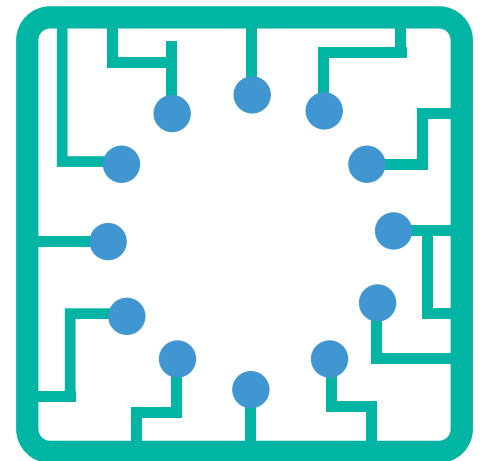
45. [With China in mind, EU agrees on rules to force open tenders – EURACTIV.com](#)

from protected or closed home markets like China.⁴⁶ While the exact details remain to be formally confirmed, once approved by the European Parliament and Member States, the IPI aims to address challenges facing EU firms competing for public tenders, such as clarifying opaque application procedures, addressing the need for EU firms to have local establishments or to form joint ventures with local firms, and to challenge price preferences, mandatory local origin percentages or the exclusion of certain sectors from procurement rules.⁴⁷ The European Commission will assess bids by foreign firms to see whether their home countries offer reciprocal access to EU firms to ensure a global level-playing field for public procurement services. These assessments would apply to national governments and local authorities with more than 50,000 inhabitants and cover tenders with a value of at least €15 million for works and concessions, and €5 million for goods and services.⁴⁸

Investment Programmes

1. The European Chips Act

The proposed EU Chips Act regulation, expected by December 2022,⁴⁹ aims to improve the resilience of the Single Market, secure supply of semiconductors, increase the EU's market share to 20% of global production,⁵⁰ ensure global competitiveness of EU semiconductor firms, and foster large-scale technological capacity, development, and manufacturing of semiconductor chips across the EU.⁵¹ The regulation does not aim for complete self-sufficiency, but rather reducing European strategic dependencies for critical materials and products across key industries including healthcare, automotive, energy and telecommunications, which were highlighted by COVID-19, as well as buttressing the economic strength and attractiveness of the Single Market. This is to be done in conjunction with forging closer relations with key partners to minimise disruptions to semiconductor supply and value-chains.



It will also provide for €2bn of “Chips Fund” activities to invest in start-up firms throughout the semiconductor supply-chain and industrial ecosystem, under the auspices of a European Chips Infrastructure Consortium.⁵² This is in addition to €3.3bn between Horizon Europe,⁵³ aimed at semiconductor research, development, and innovation, and the Digital Europe fund,⁵⁴ which examines applied solutions for research. This is similar to other EU industrial alliances for strategic resources like the Critical Raw Materials Alliance and the Hydrogen Alliance.

46. [Home advantage: How China's protected market threatens Europe's economic power – European Council on Foreign Relations \(ecfr.eu\)](#)

47. (1) Valdis Dombrovskis on Twitter: “WE HAVE A DEAL! @Europarl_EN & @EUCouncil approve new International Procurement Instrument! This important tool provides EU with leverage to remove unfair barriers & promote fair competition. A global level playing field is vital for our companies' competitiveness. #IPI <https://t.co/VBV5VP3OTM>” / Twitter

48. [International public procurement instrument: New tool to support EU firms – The European Sting - Critical News & Insights on European Politics, Economy, Foreign Affairs, Business & Technology - europeansting.com](#)

49. Laura Naima Kabelka on Twitter: “#ChipsAct provisional timetable According to information seen by @EURACTIV, the draft report is anticipated to be ready by end-June, presentation in the Committee mid-July & vote in @EP_Industry ITRE Committee in December. (1/3)” / Twitter

50. [European Chips Act: Communication, Regulation, Joint Undertaking and Recommendation | Shaping Europe's digital future \(europa.eu\)](#)

51. https://eur-lex.europa.eu/resource.html?uri=cellar:ca05000a-89d4-11ec-8c40-01aa75ed71a1.0001.02/DOC_1&format=PDF p.21, 38

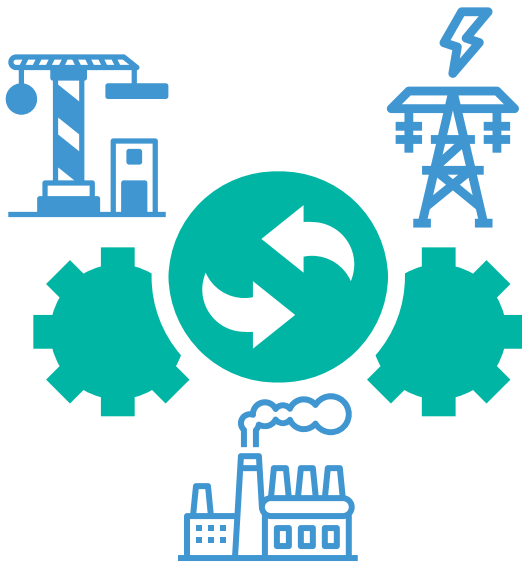
52. [resource.html \(europa.eu\)](#) p.39

53. https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe_en

54. [Digital Programme | Shaping Europe's digital future \(europa.eu\)](#)

The Chips Act takes into consideration the steep up-front investment costs through providing support for integrated production facilities and for “Open EU Foundries” to facilitate the design, production of components and manufacture of chips within the EU.⁵⁵ It also employs measures to anticipate and respond to future supply-chain disruptions with Member States monitoring value and supply-chains, and empowers the European Commission to impose priority orders for critical materials and to act as a central purchasing body on behalf of Member States.⁵⁶

2. Important Projects of Common European Interest (IPCEIs) and Industrial Alliances



Important Projects of Common European Interest (IPCEIs) are cross-border innovation, research and infrastructure projects which are a key component of the EU’s New Industrial Strategy, in terms of facilitating the Union’s strategic autonomy⁵⁷ and the green and digital recovery from COVID-19,⁵⁸ such as with an IPCEI on healthcare technologies and resources.⁵⁹ IPCEIs aim to ensure security of energy supply, as well as other critical materials by harnessing the economies of scale available in the Single Market. They are eligible for state aid supports and possible private investments, provided they are sufficiently important in their size, scope or degree of technological or financial risk and do not disrupt fair competition within the Single Market.

These undertakings aim to address market failures and achieve projects of strategic economic and societal interest by bring together knowledge, expertise, financial resources, and economic actors across the EU. The European Battery Alliance⁶⁰ aims to foster a holistic battery value-chain within the EU from raw materials to cells and modules, battery systems and recycling and refining across 7 Member States (Belgium, Finland, France, Germany, Italy, Poland, and Sweden) and 17 firms. Another IPCEI addresses microelectronics between France, Germany, Austria, and Italy (and the UK), whereby Member States are funding the development of a microelectronics industrial ecosystem within Europe between 32 firms and 425 indirect partners including suppliers, SMEs, and research organisations.⁶¹ A challenge remains, however, regarding the financial resources different Member States can marshal to fund these projects, which raises concerns for the functioning of the Single Market, and the relative geographic disadvantages for peripheral or island Member States like Ireland, Malta, and Cyprus to fully take part in these projects.⁶² The potential geopolitical scope for IPCEIs also remains to be further explored in the context of European energy and food supply dependencies.^{63 64}

55. [The European Chips Act: A Strategy to Expand Semiconductor Production Resiliency | Center for Strategic and International Studies \(csis.org\)](#)

56. [resource.html \(europa.eu\)](#) p.46, 49-50

57. [Important projects of common European interest \(europa.eu\)](#)

58. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.C_.2021.528.01.0010.01.ENG&toc=OJ%3AC%3A2021%3A528%3ATOC

59. [La Moncloa. 03/03/2022. Spain joins the launch of the Important Project of Common European Interest \(IPCEI\) on Health \[Government/News\]](#)

60. [Building a European battery industry - European Battery Alliance \(eba250.com\)](#)

61. [About the IPCEI – IPCEI on Microelectronics \(ipcei-me.eu\)](#)

62. [Important Projects of Common European Interest \(IPCEIs\) as a New Form of Differentiation: An Analysis of Their Challenges for the European Single Market \(euidea.eu\)](#)

63. [Europe’s new economic statecraft: Unity through a European Resilience Fund – European Council on Foreign Relations \(ecfr.eu\)](#)

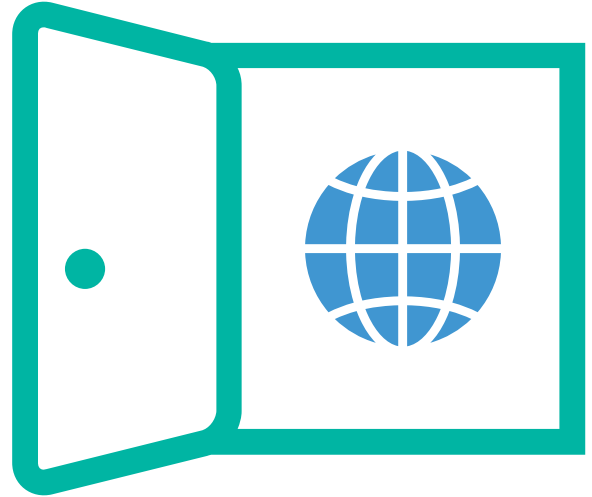
64. [The road to European energy independence could start this week – EURACTIV.com](#)

Strategic Partnerships

1. Global Gateway

The Global Gateway is the EU's flagship international infrastructure and connectivity investment programme, which will provide "sustainable and trusted" investment in digital, energy, transport, health, education, and research systems globally with up to €300bn available between 2021-2027.^{65 66} This funding is made up of:

- €135bn from the European Fund for Sustainable Development Plus (EFSD+)
- €18bn from EU external assistance programmes
- €145bn from Member States,
- Pre-Accession Assistance (IPA) III, Interreg, InvestEU, and Horizon Europe programmes, and a possible export credit facility.⁶⁷



The geopolitical underpinnings of this programme are two-fold. The first is to secure export markets for international expansion of the EU's new industrial strategy focused on leading the green and digital transitions to address global climate change.⁶⁸ The second is to harness the economic heft of the Single Market to present a viable democratic and climate neutral alternative to China's Belt and Road Initiative (BRI) or the US's Build Back Better strategy.⁶⁹ It also serves to buttress the EU's international influence as a credible and reliable partner which creates mutually beneficial connective links rather than debt-trap dependencies.⁷⁰ Many observers have noted that the funding for the Global Gateway does not appear to be new funding, but rather repurposed existing funding, and the meaningful change is the consolidation of European strategic investment and development aid via a centralised "Team Europe"⁷¹ approach which brings together EU institutions and Member States in a more unified approach, and will also require buy-in from private sector and NGO actors. The Global Gateway also has an ostensible "global" remit, but the likely focus will be on the most economically and politically important continent for Europe: Africa.⁷²

65. [joint_communication_global_gateway.pdf \(europa.eu\)](#)

66. [Global Gateway: up to €300 billion for the European Union's strategy to boost sustainable links around the world | International Partnerships \(europa.eu\)](#)

67. [The Global Gateway: a real step towards a stronger Europe in the world? | Bruegel](#)

68. [Global Gateway: Positioning Europe for a Sustainable Future | Institut Montaigne](#)

69. [What Is the EU's Global Gateway Initiative? | INAA](#)

70. [EU launches 'Global Gateway' to counter China's Belt and Road – POLITICO](#)

71. [Coronavirus: European Union launches "Team Europe" package to support partner countries with more than €20 billion - European External Action Service \(europa.eu\)](#)

72. [The EU's Global Gateway and a new foundation for partnerships in Africa – European Council on Foreign Relations \(ecfr.eu\)](#)

2. EU-US Trade and Technology Council (TTC)



The EU-US Trade and Technology Council (TTC), established in June 2021, is a Transatlantic political and diplomatic forum between the United States and the European Union which is designed to coordinate global approaches to trade, economic and technology policies based on democratic values.

The Council is co-chaired by European Commission Vice-Presidents Margrethe Vestager and Valdis Dombrovskis, and by US Secretary of State Antony Blinken, US Commerce Secretary Gina Raimondo and US Trade Representative Katherine Tai. It has ten working groups which convert political decisions into technical policies.

The purpose of the TTC is to further EU-US trade, innovation and investment, coordinate technology, digital and supply-chain policies, foster research collaboration, develop international regulatory, design and enforcement standards, fight unfair trade practices, coordinate export controls, and support WTO reform. The TTC is crucial for the resilience and relevance of the Single Market in terms of furthering the Brussels Effect of the EU as a global regulatory standard-setter, and also in bringing the EU and US economies closer together, removing barriers to the Digital Single Market and curbing market distortions. The more internationalist approach of the Biden Administration combined with the geopolitical repurposing of telecommunications equipment, technical standards, and critical technologies like semiconductors by authoritarian states, have resulted in greater cooperation between the EU and US. Despite this alignment, the EU and US still diverge significantly on data localisation, regulation, privacy standards and taxation, differences in policy which may impede significant progress. The two sides hold differing conceptions of the TTC, with the EU's vision of a primarily global platform for regulatory cooperation contrasting with the American perspective of a tool designed to largely coordinate containment of China.

73. [EU-US launch Trade and Technology Council \(europa.eu\)](https://european-council.europa.eu/media/e3000000/1/press-19-2021-0001-01-en.pdf)

74. [EU-US Trade and Technology Council Inaugural Joint Statement \(europa.eu\)](https://european-council.europa.eu/media/e3000000/1/press-19-2021-0001-01-en.pdf)

75. [Factbox: The 10 working groups under the U.S.- EU Trade & Technology Council | Reuters](https://www.reuters.com/technology/eu-us-trade-technology-council-working-groups-2021-06-23/)

The Institute of International and European Affairs (IIEA) is Ireland's leading international affairs think tank. Founded in 1991, its mission is to foster and shape political, policy and public discourse in order to broaden awareness of international and European issues in Ireland and contribute to more informed strategic decisions by political, business and civil society leaders.

The IIEA is independent of government and all political parties and is a not-for profit organisation with charitable status. In January 2021, the Global Go To Think Tank Index ranked the IIEA as Ireland's top think tank.

© Institute of International and European Affairs, May 2022

Creative Commons License

This is a human-readable summary of (and not a substitute for) the license.

<https://creativecommons.org/licenses/Attribution-NonCommercial-ShareAlike/4.0/> International (CC BY-NC-SA 4.0)

You are free to:

- Share - copy and redistribute the material in any medium or format
- Adapt - remix, transform, and build upon the material
- The licensor cannot revoke these freedoms as long as you follow the license terms.

Under the following terms:

Attribution — You must give appropriate credit, provide a link to the license, and indicate if changes were made. You may do so in any reasonable manner, but not in any way that suggests the licensor endorses you or your use.

NonCommercial — You may not use the material for commercial purposes.

ShareAlike — If you remix, transform, or build upon the material, you must distribute your contributions under the same license as the original.

No additional restrictions — You may not apply legal terms or technological measures that legally restrict others from doing anything the license permits.



The IIEA acknowledges the support of the Europe for Citizens Programme of the European Union



The Institute of International and European Affairs,

8 North Great Georges Street, Dublin 1, Ireland

T: +353-1-8746756 F: +353-1-8786880

E: reception@iiea.com W: www.iiea.com