



By: *Tomorrow's Affairs Staff*

# US-EU Summit - geopolitics has set aside unresolved trade issues



Geopolitics took precedence over the resolution of mutual economic and trade relations at the US-EU summit in Washington.

The transatlantic partners were forced to take this course partly because of the drastically worsened geopolitical developments since the last summit in 2021 and partly because of the difficulty of reaching an agreement on removing existing trade barriers.

Judging by the joint statement of US President Joe Biden and EU chief executives Charles Michel and Ursula von der Leyen, the partners felt the obligation to confirm their unity in supporting Ukraine, and now Israel, in the fight against terror.

Given the intensity of the current crisis hotspot that has escalated in the Middle East, there were questions about whether and to what extent the Western partners would be able to maintain their prior support for Ukraine at the time of the US and EU summit.

## Rock solid support

However, despite these uncertainties, the leaders used the Washington meeting to reassure Ukraine that the Middle Eastern crisis would not push it into the background.

Charles Michel, President of the European Council, said the war between Israel and Hamas would not "distract them from rock-solid support" to Ukraine.

Ursula von der Leyen, President of the European Commission, said that "conflicts show democracies must stand together".

If President Biden had not announced a plan to approve as much as \$106 billion in new support to Ukraine and Israel just before the summit in Washington, allied political support, no matter how strong and united it was, probably would not have dispelled scepticism about the continuation of Western aid to Ukraine.

European announcements about issuing €50

billion for aid to Ukraine, on top of the €90 billion sent so far, followed.

## Joint strategies ahead of the election year

The focus of the Western allies was shifted overnight to the conflict between Israel and Hamas due to the terrorism committed by Palestinian extremists in the south of Israel, which created a new challenge for the US and the EU.

The summit in Washington had to respond to this tightening of relations, even at the cost of putting aside talks on resolving mutual, primarily trade, issues between the US and Europe. Precisely this happened.

This is probably the last transatlantic summit with these participants. The Europeans are waiting for elections next spring, which will bring a new parliament, the European Commission and the president of the European Council. Also, President Biden is running for a new term.

That is why the summit in Washington had to lay out shared policies towards a whole series of geopolitical processes, full of challenges for the West, which will not wait for elections and the constitution of new administrations in Brussels and Washington.

## A platform for talks with China

In addition to Ukraine and Israel, a significant part of their attention regarded the attitude towards China and the events in Africa as a message that the allies want to follow and implement their policies.

They again called on China to pressure its partner Russia to stop its aggression against Ukraine and withdraw immediately. At the same time, they told Beijing that they wanted "constructive and stable relations" and that "they were not decoupling or turning inwards".

These are the principal political messages to Beijing before the talks that the EU and the US will have with Chinese leader Xi Jinping by the end of the year. Xi's meeting with President Biden is expected in the US in November, and a new EU-China summit by the end of the year. Both are regarded as significant, perhaps ground-breaking events for the relaxation of at least some global crises.

At the summit in Washington European leaders showed that they fully follow US political and security leadership regarding crises.

This reflects the deficit of diplomatic global influence that the EU has been facing for a long time and its awareness that it could restore that influence only in partnership with the US.

There is simply no time or potential among EU partners to test Europe's autonomous geopolitical steps.

## Trade in the background

Contrary to political and diplomatic strategic directions on which Washington and Brussels apparently found common ground, there were no agreements on principal trade issues, which continue to burden their relationship.

The leaders did not reach any new decisions regarding tariff disputes on steel and aluminium and US green energy subsidies, as the 2 most significant areas where there are still issues among the transatlantic partners.

The 2 administrations will continue to search for a solution until the end of the year, but a positive outcome will not be more certain even after the summit in Washington.

If these problems are not resolved soon, the US and the EU will have diminished credibility to promote their open market and green transition policies globally, even though they are at the top of their priorities.