

## SESSION 15

### Fortifying the Global Economy: Subsidies, Supply Chains, and Critical Raw Materials

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- Disruptions to supply chains have created a much greater focus on dependencies in the global economy, leading to a renaissance of industrial policy with actions such as the IRA by the US...
- Strong cooperation between members of the US Congress and their European counterparts is vital and should be part of a strategic interest for the transatlantic relationship in several key areas.
- **China:** we cannot decouple as economic impacts make it unrealistic. Congress is open to manifest this in a common written statement by members of the Congress with Members of the European Parliament. China is heavily investing globally (Montenegro as an example). The EU and the US have a common interest in cooperating; otherwise, China will dominate.
- **Russia:** its invasion of Ukraine has resulted in a major global food crisis. This is of extreme importance for the global food production. The EU and the US have a common interest in working together to resolve this.
- **Agriculture:** Americans are pushing Europe to cooperate on innovation in agriculture, and there are good arguments and resources that should make the US proposal attractive. The US is in direct competition with China on agricultural innovation, and the hope is that the EU can be sensitive to this in a strategic way.
- **Raw materials:** How to deal with raw materials and lithium batteries are key questions for transatlantic policy makers – for example, both EU and US industries depend on battery production, and we need to secure that supply with the necessary raw materials inputs. The US and EU both want new partnerships and agreements with countries (e.g., Africa/South America) that can help secure the trade of raw materials. The raw materials issue exposes common dependencies and can/should bring the US and EU closer together.
- **Supply chains:** After the recent crisis, we completely need to re-think our international supply chain setting – competitiveness is, of course, important and driving the process, but it cannot be the only driving force. The global supply-chain problem has shown a strong dependency on highly industrialized countries. Regulation often adds further restrictions and higher tariffs are a real challenge.
- **Energy and Climate change.** Energy will play a big role in transatlantic relations as supplies to Europe have been significantly increased from the US. The issue of permissions for LNG energy systems and related exports underlines that innovation, stability, and coordination are the key principles for the transatlantic relationships, which are essential for business operators. Governments are having problems keeping up with the pace of implementing new regulations for climate and environmental policy, and markets are being asked to respond quicker.