

America is back

Opportunities and challenges for reviving
international cooperation

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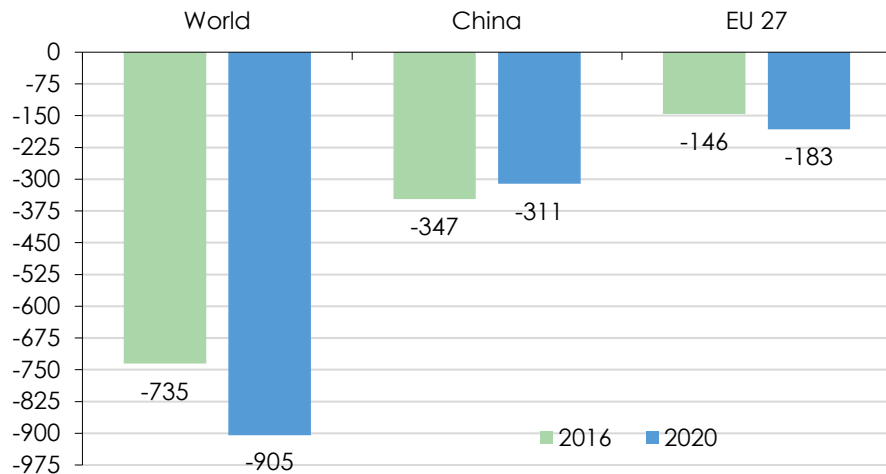


„America first“ policy

- Trump advocated for greater trade protectionism
 - Agressive unilateralism to protect national security
 - Leverage to renegotiate trade deals
 - Departure from multilateral cooperation and organizations

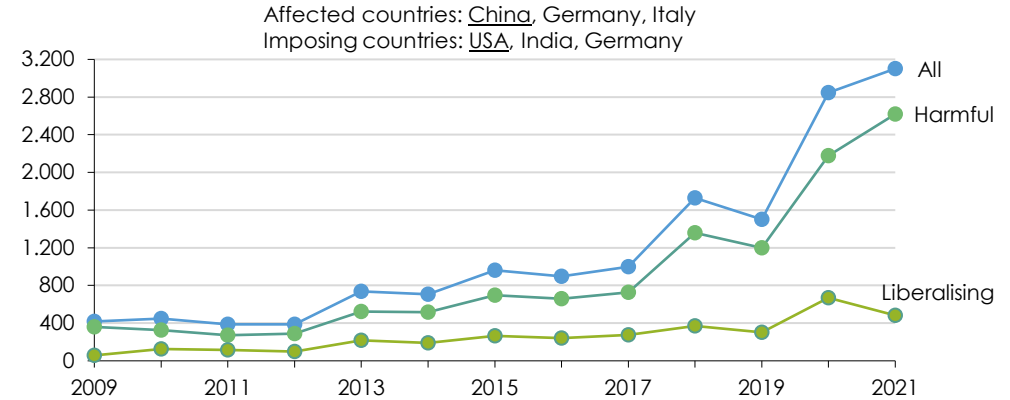
- Key argument: large US trade deficit (2021: -1,179.8 bn USD) vis-à-vis important trading partners → promised Trump effect failed to materialize

US trade balance in billion USD

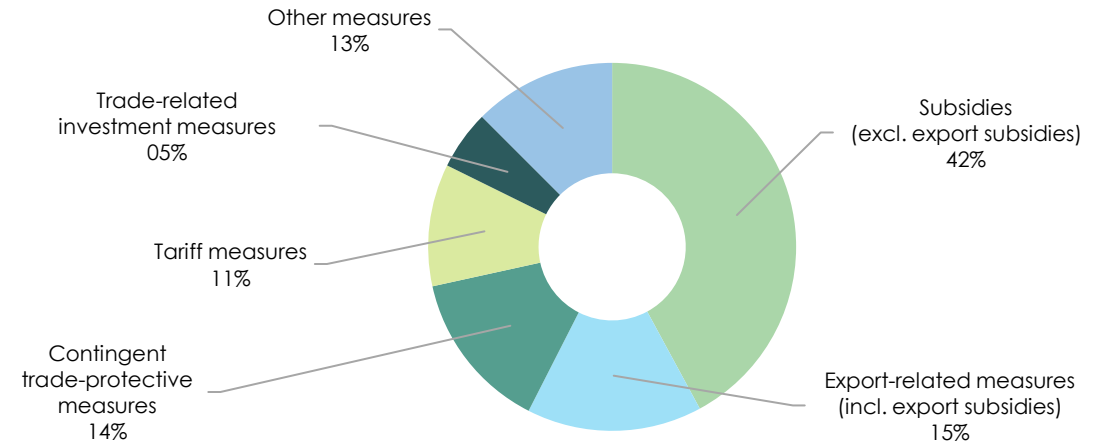


Source: IWF, DOTs.

New distortionary trade measures implemented per year



Types of distortionary trade measures implemented, 2009-2021



Note: The cut-off date for the reported measures is December 31 in each case.
Source: Global Trade Alert Database.

„America is back“ policy

- Biden's victory: four-year window to revive international alliances and to strengthen the relevance of a rule-based multilateral trade order
 - Trade tensions (transatlantic ties, Sino-American relations, multilateral cooperation)
 - EU-US steel-aluminum trade dispute suspended & Airbus-Boeing trade dispute resolved
 - Pressing global challenges (COVID-19 pandemic, climate change)
 - Domestic affairs
- Common interests and values as part of a “Renewed Transatlantic Partnership”
 - Rebooting the transatlantic relationship → removing trade disputes; launch of the EU-US Trade and Technology Council (TTC)
 - Revitalizing the functioning of the WTO and updating the WTO rulebook
 - Climate change collaboration as springboard (Paris Climate Agreement, climate neutrality by 2050)
 - (Cooperation on COVID-19 pandemic: TRIPS waiver, COVAX initiative)
 - (Joint action against China: coalition against China)

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