

US, EU seek to boost cooperation through tech

September 29 2021, by Delphine Touitou



Pittsburgh, once home of the mighty US steel industry, will serve as the backdrop for the US-EU Trade and Technology Council meeting.

US and EU officials will hold two days of high-level meetings in Pittsburgh this week in an effort to repair relations damaged under the

administration of Donald Trump and boost cooperation on technology issues.

The timing of the inaugural meeting of the Trade and Technology Council (TTC) is important, coming amid a global semiconductor shortage.

The venue, the Pennsylvania city that was the heart of the once-mighty American steel industry and which has evolved into a tech hub, is symbolic, especially as the two sides have yet to resolve a conflict over Trump-era tariffs on steel and aluminum.

The former president cited US national security in June 2018 when he imposed punitive tariffs of 25 percent on steel imports and 10 percent on aluminum, which have been a thorn in trans-Atlantic relations since.

Washington and Brussels have made it clear that resolution of that conflict would not be part of the discussions in Pittsburgh, but it looms in the background.

Chip crunch

The TTC was born out of President Joe Biden's summit in Brussels in June, when he attempted to repair the partnership, and reached a deal to defuse the longstanding Airbus-Boeing dispute, suspending tariffs on both sides.

But more recent stumbles have renewed doubt, including the sudden US exit from Afghanistan at the end of August, and the more recent announcement of a security pact between the United States, Australia and Britain viewed as a snub by Europe.

There could be a lot riding on the Pittsburgh meeting, beyond the

official agenda.

The talks will be led by Secretary of State Antony Blinken, Trade Representative Katherine Tai and Commerce Secretary Gina Raimondo, and on the European side by EU executive vice presidents Margrethe Vestager and Valdis Dombrovskis.

The White House said the United States and EU are "indispensable partners" that will aim to "promote shared [economic growth](#)."

The TTC has 10 working groups on diverse and at times touchy topics such as regulation of digital platforms, [privacy concerns](#), supervision of artificial intelligence, controls on [foreign investment](#), strategic exports, and critically the shortage of semiconductors.



EU vice president Valdis Dombrovskis said this week's technology meeting could produce a statement on the global semiconductor shortage.

Demand for electronic devices of all kinds has exploded since the start of the COVID-19 pandemic, due to the rise of working and studying from home, as well as increased need for home entertainment.

The chip shortage has also hit automakers, as semiconductor manufacturers, which at times have had to temporarily close their factories due to COVID-19, struggle to meet global demand.

Washington would like to secure a deal with the Europeans on semiconductors, and Dombrovskis told reporters in Washington on Tuesday there could be a communique on this subject at the end of the meeting.

Raimondo said the semiconductor shortage is both an economic and a [national security](#) concern, and called for investments in domestic manufacturing in the EU and United States.

"America created the semiconductor industry. Twenty years ago, we produced nearly 40 percent of all chips," she said in a speech to the Economic Club of Washington.

"Today, we account for only 12 percent of global production and we produce zero percent of the most advanced chips."

She called on Congress to pass legislation that would invest \$52 billion in domestic chip manufacturing, saying it will "protect Americans from similar supply chain disruptions in the future."

Confronting Beijing?

Europeans also want to produce more in order to reduce their dependence on Asia.

European Commission President Ursula von der Leyen has even called it a "question of sovereignty."

In addition to semiconductors, the sides are grappling with how to work together to counter China and unfair trade practices such as industrial subsidies and forced technology transfer.

The Biden administration so far has continued Trump's strong line towards Beijing, keeping in place punitive duties on Chinese goods.

While Dombrovskis stressed that the TTC was not intended to target a particular country, he has also urged cooperation with Washington to give the World Trade Organization more teeth to deal with the concerns posed by China.

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