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A STRENGTHENED FOREIGN POLICY AND AN OPEN TRADE AND INVESTMENT POLICY

The EU must adapt to a new, more uncertain and aggressive global landscape, marked by the Russian war of aggression against Ukraine and the deterioration of the security order in Europe, geopolitical tensions and the quest for global primacy in sectors related to sustainability and digitalisation, among other factors. This trend has led to heightened military tensions, strong international competition in public aid, the adoption of unilateral economic measures, the proliferation of politically motivated trade measures and the erosion of multilateralism. Faced with this new scenario, the EU needs to bolster its foreign policy to defend its political, economic and trade interests effectively. To achieve this, it is essential to move forward on:

MULTILATERALISM: THE BEST APPROACH TO 21ST CENTURY CHALLENGES

- Endorsing robust EU support for **multilateralism** to address global challenges such as climate change, the risk of future pandemics or digitalisation. The EU should forge alliances not only with G7+ countries but also with Latin American and other middle-income countries, as well as the least developed countries, to assert its interests in international organisations and informal forums. In this regard, it is essential to continue supporting the modernisation of the World Trade Organisation (WTO).

STRENGTHEN EU SECURITY ACROSS ALL SECTORS

- Continuing to **strengthen strategic foresight mechanisms to identify and assess risks** in

energy, food security, new technologies and health to avoid future shortages.

- **Ensuring strategic value chains' autonomy and resilience**, without leaving any sector or Member State behind or falling into protectionist temptations.
- In the field of security and defence policy, prioritising the **European defence industry development**, as foreseen in the new European Defence Industrial Strategy, ensuring that capacity building is done in **a coordinated manner** and in line with **investment** needs. In parallel, cyber-security capabilities need to be further strengthened.

BALANCE IN ECONOMIC SECURITY MEASURES

- Preventing **economic security** measures from solely focusing on protection, ensuring a balance with the other two pillars on which the European Strategy on Economic Security is based: **promotion** and the **search for international partners**. In this regard, we suggest establishing an ex-ante consultation with business organisations and businesses to maintain policy coherence and avert unintended effects.
- Preventing **disparities in Member States' legislation** on foreign investment and exports of dual-use goods control to safeguard the integrity of the Single Market and prevent unfair competition.

- Ensuring that any future initiative on **outbound investment** screening is supported by evidence-based empirical analysis, and that the prior collection of information from businesses does not lead to additional reporting requirements.
- Supporting a public-private partnership to enable an exchange of information for the **early detection of risks** that could negatively influence the normal functioning of supply chains, including energy, and critical infrastructures.
- Strengthening internal coordination between the European Commission and the Member States to ensure a **homogeneous interpretation in the application of economic sanctions** against third countries, to avoid dysfunctions in the Single Market and prevent unfair competition. We also recommend that the EU persists in its coordinating efforts with the UK, the US and the rest of the non-European G7+ countries to avoid greater distortions in international trade.

AN OPEN TRADE AND INVESTMENT AGENDA

- Accelerating the ratification of already negotiated **bilateral trade agreements**, pursue ongoing trade negotiations, extend the existing network of agreements to new countries and modernise existing ones. Trade agreements are a **cornerstone for European external action**: they ensure access of European goods, services, data and investment to third markets on a level playing field, and make European industries more resilient by enabling greater diversification of their supply chains and access to sources of energy and raw materials. Their role is also vital in further strengthening bilateral cooperation in other key areas, as evidenced by the EU-Canada Comprehensive and Economic Trade Agreement.
- Fully utilising **existing legal instruments** to protect the EU from economic coercion by third countries and unfair competition in the Single Market before introducing new proposals.
- Supporting the establishment of a **Critical Raw Materials Club** with supplier countries to secure resilient supply chains for our industries.
- Further developing the **Global Gateway** initiative, ensuring that its financial instruments are

more **accessible to businesses**, to facilitate the development of strategic projects in connectivity, climate and energy, transport, health, education and research.

FOSTER TRADE RELATIONS WITH KEY PARTNERS

- Considering the strong economic ties with the **United States**, strengthening close bilateral cooperation, making progress in resolving outstanding trade disputes, and ensuring the successful conclusion of ongoing negotiations. It is also necessary to continue coordinating export controls on dual-use goods and foreign investment scrutiny and deepening cooperation in the areas in which the Trade and Technology Council (TTC) works.
- The **People's Republic of China** is, together with the US, the second largest market with which the EU does not have a trade agreement under negotiation or in force. Therefore, close contact must be maintained with the Chinese authorities to eliminate non-tariff barriers and reduce the strong trade imbalance, as well as to identify areas for cooperation.
- Intensifying EU-**Latin America and the Caribbean** relations following the milestone that the 3rd EU-CELAC Summit, held last year under the Spanish Presidency of the Council, represented in the reactivation of bi-regional relations. These closer ties should result in the ratification of pending trade agreements and the development of transformative projects in the region.

RELATIONS WITH EU NEIGHBOURHOOD AND ENLARGEMENT

- Strengthening relations with **EU's neighbouring countries**, particularly **North African** countries, whose political stability and economic prosperity are key to the security and economic development of the Mediterranean basin. We also advocate for the bolstering of economic and trade relations with the **United Kingdom** within the framework of the Trade and Cooperation Agreement, and we endorse the opening of negotiations with **Switzerland** to modernise the framework for economic and trade relations.
- For **enlargement** to be a "geostrategic investment in peace, security, stability and prosperity", as stated in the "Granada Declaration" (10/23), undertaking the **necessary EU**

governance reforms, in terms of budget and institutional structure, **while also properly strengthening and preparing the Single Market** before integrating new members. At the same time, we call for the necessary financial

support and assistance to be provided to the candidate countries to accelerate the reform of their governance models and criteria to join the EU.