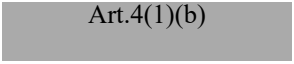
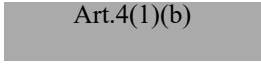
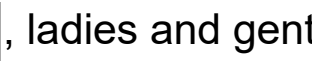


## **EVP Valdis Dombrovskis**

### **Intro Remarks for Meeting with European Round Table for Industry (ERT)**

**25 March 2022**

-  Art.4(1)(b)  Art.4(1)(b) , ladies and gentlemen,
- I am grateful for this opportunity to engage with you. The war in Ukraine and its wider geopolitical consequences require us to remain in close contact. Your input is vital as we carefully assess how the EU should plan its next steps.
- First of all, there is the immediate response to Russia's illegal and barbaric aggression.
- Our decision to impose four rounds of economic and financial sanctions on Russia was essential. Our goal is to cripple Putin's ability to finance his war machine.
- The sanctions are biting and Russia's economy is in dire straits.
- Let me say that the European Commission appreciates your support for the EU course of action so far.
- We have achieved a rapid and remarkable degree of coordination with the U.S. and other key allies.
- We continue to monitor the situation extremely closely. We aim to be agile as well as effective. We continue to assess all options, both for providing further support to Ukraine and for targeting Russia's economy.

- Of course, this moment of crisis is also impacting on our wider economic planning.
- We are looking at ways to mitigate the economic effect of the war. We are assessing the impact of our sanctions and of Russia's wide-ranging counter-measures on our economies. We are exploring the best ways to mitigate the energy crisis.
- The stakes are clear: We have to be ready to live with sanctions for some time, we have to reduce our dependencies on a hostile Russia, and we have to enhance the overall resilience of our economies.
- Our economies will clearly have to pay a price, but this is a price worth paying in defence of democracy and the right of sovereign nations to self-determination. It is a price worth paying to preserve European and global security.
- I am fully aware that you had a good exchange with EU leaders at the start of March on the implications for Europe's long-term industrial outlook.
- Let me offer some perspectives in this regard.
- You will recall that the goal of the new EU trade strategy is to enhance our "open strategic autonomy".
- In the current context, discussions around this subject have increased in both frequency and urgency.
- For trade and trade policy, the implications are wide-ranging:
- First, it means that the time when we could separate economic objectives from strategic and geopolitical ones is definitely over.

- It might not be a comfortable reality for the EU because of the different levels of integration between our policies.
- But when we face a strategic challenge such as this, we have no choice but to mobilise all our policy tools simultaneously and coherently.
- The strength and unity of our actions has been remarkable.
- The unprecedented scope of the measures adopted in recent weeks prove that EU action can be swift, effective and coordinated when we have a clear strategic purpose in mind.
- Some of the measures adopted, such as restrictions on imports of certain Russian goods, and many others in the field of security, military, energy or migration policy show how agile Europe can be in a time of crisis.
- Second, we need to maintain our focus on the rule of law and support for a rules-based trading system. While some may be tempted to respond in kind to blatant violations of international law, we need to maintain our position.
- Strong international institutions, with fit-for-purpose rules, are essential for maintaining our commitment to free, fair and responsible trade.
- We therefore continue to pursue our strong reform agenda at the WTO. We are working hard to build coalitions in support of our approach in the build-up to MC12.
- Third, international cooperation is critical – united we stand, divided we fall. Russia had underestimated the strength of our unity and our resolve both within the EU, but also with our international allies.

- Our trade policy and trade agreements are an important vehicle for strengthening our ties and building the platforms of cooperation we need to pursue our objectives. And always, our values must be at the centre of our work.
- For example, resurgent transatlantic cooperation is absolutely critical. The upcoming May meeting of the Trade and Technology Council is an important milestone.
- Because if the EU and U.S. do not lead the way in shaping the rules, tools and standards of the future, we now see very clearly what the alternative is.
- In this sense, the war in Ukraine makes it totally clear that setting up the TTC was the right thing to do.
- Our wider bilateral and multilateral trade agenda will have a key role to play in the coming years.
- Bilateral agreements will be essential, because working with our global partners is how the EU achieves results.
- Our network of free trade agreements provides a platform to help cement alliances.
- They will also help us to address our strategic dependencies, particularly in the most sensitive areas such as critical raw materials.
- This cannot be achieved via isolation or autarky but only via diversifying our imports and securing stable and predictable trading relationships.
- We should avail of the opportunities to diversify our sources of supply. To build new, mutually beneficial business and trade relationships, underpinned by rules and values.

- If we try to provide for all our needs by ourselves, if we close down trade channels, we end up having a weakened industrial base, fewer and worse paid jobs, less choice and more expensive goods and services.
- In fact, this is what we see now with the exclusion of Russia from global trade, where we immediately see those negative effects.
- We therefore remain convinced that openness to trade must remain a central element of Europe's economic strategy.
- However dependencies, such as our energy dependence on Russia, cannot continue. This is how we address the "strategic autonomy" dimension of our open strategic autonomy.
- And the urgency of tackling the distortive effects of non-market practices has likewise accelerated.
- We cannot be at the mercy of players who not only oppose our values, but actively undermine them.
- Diversifying our trade relationships will also help to make up for lost exports, given that Russia was the EU's fifth biggest export market in 2021.
- The current crisis highlights the urgent need to address global sustainability challenges and accelerate the EU's energy transition.
- So, while we aim to ratify agreements and conclude ongoing negotiations, we will put a much stronger focus on extracting maximum value from existing deals.
- We cannot sit on our hands during this period of geopolitical shifts; the time to act is now.