

Transatlantic Trade | US and Europe – Week of December 6, 2021

Article By:

Stacy A. Swanson

Christina Economides

This past week, the Government of the United Kingdom (UK) started outlining its agenda for 2022, with a focus on digital trade, among other priorities, in the broader framework of establishing a “network of liberty.” The latter point overlaps with the Government of the United States of America (US, or USA), which hosted a virtual “Summit for Democracy,” calling on nations to reject authoritarianism and the use of technology to repress citizens. As part of the Summit for Democracy, the US Government unveiled its strategy for combatting corruption.

A UK delegation visited Washington this past week to push for addressing US aluminum and steel tariffs, along with discussing the need for a cross-border data arrangement. The UK also hosted the Group of Seven (G7) Foreign Ministerial in Liverpool this week, which had a focus on digital trade that resulted in some Asia-Pacific leaders being invited to the meeting for the first time. With the USA, UK and European Union (EU) focused on digital trade, notably, the UK secured an agreement in principle with Singapore in this space, while the EU is moving forward with discussion to expand its digital ties with Singapore.

Meanwhile, the USA, UK and EU also focused this week on Russia’s perceived aggression along Ukraine’s border, collectively warning Russia’s president against the militarization. Separately, the European Commission released its legislative proposal to protect against third country economic coercion. Transatlantic partners also remain focused on restricting the spread of the Omicron COVID-19 variant, as cases increase around the world.

In this issue, we also cover:

- *Notable UK, US, and EU developments;*
- *A brief UK-EU trade deal update; and*
- *COVID-19 highlights among the transatlantic partners.*

Notable UK Developments

Ahead of the G7 ministerial and the Summit for Democracy, on 8 December, UK Foreign Secretary Liz Truss gave [a speech](#) at Chatham House to set out how the UK is building a network of liberty around the world. She argued for the world to use the power of economics and technology to promote freedom not fear, noting that hostile forces are using disinformation to undermine truth. Secretary Truss described what she characterized as the “free world’s age of introspection,” which included societies turning inward after the fall of communism and focusing on issues such as how we should be ashamed of our history and doubtful about our future. She called for a return to the “age of ideas, influence and inspiration,” while outlining the UK’s goal to create a “network of liberty.” As an outward looking nation, Secretary Truss said that early next year she will launch the UK’s new development strategy that will ensure Britain’s development policies support its belief in freedom and democracy. With respect to forging new relationships, she said the UK is looking to join forces with likeminded friends “to win supremacy in areas like quantum, artificial intelligence, biotechnology, and more.” Secretary Truss affirmed that she will also outline the UK’s new approach for tech leadership on the global stage in the new year. Noting that “friends want friends to be successful,” she spotlighted as positive developments:

When the US works on a new economic partnership with Japan, as Ambassador Tai has been doing with Minister Hayashi, or when the EU announces its new Global Gateway scheme to invest in developing countries, we all benefit.”

In [opening remarks](#) at the Summit for Democracy, UK Prime Minister Boris Johnson acknowledged the impact of technology and trade on democracy. He stated,

In an era when technological advance and therefore economic success depend on discovery and invention, it is no coincidence that of the 10 most innovative countries in the world, nine are liberal democracies. And it is because of these innate advantages that it has never been more vital to strengthen democracy at home and stand up for our principles abroad, including through our trade, security and economic partnerships.”

In the “Year of Action” to follow, Prime Minister Johnson said the British Government would move to “bring more openness to the purchase of properties in the UK by overseas entities and take forward new laws to safeguard our democratic processes and institutions from those who would do us harm.”

This week, the Foreign Ministers from Southeast Asian countries joined the G7 Foreign Ministers’[1] meeting in Liverpool for the first time. The UK-led G7 talks [were aimed](#) at forging closer tech, economic and security ties with the ten-nation ASEAN bloc[2]. This included discussions on the need to ensure the free flow of data while also working to eliminate intellectual property theft and cybercrime. The crisis in Myanmar was also discussed, with the Myanmar military not invited to the G7 ministerial.

On the margins of the G7 ministerial, Foreign Secretary Truss met with French Foreign Minister Jean-Yves Le Drian; apart from addressing Russia’s aggression, she [stressed](#) “the need for a practical,

pragmatic approach to bilateral issues like migration, fishing rights and trade.” Another area of cooperation between the two countries is in the Sahel region of sub-Saharan Africa.

Foreign Secretary Truss also met with the newly appointed German Foreign Minister Annalena Baerbock, ahead of the G7 ministerial. The two sides [agreed to](#) promote democracy, address Russia’s aggression toward Ukraine, and to find “a pragmatic solution to issues around the Northern Ireland Protocol that works for the people of Northern Ireland.” Migration was also a topic of discussion.

Also ahead of the Liverpool meeting, Foreign Secretary Truss [met with](#) US Secretary of State Antony Blinken. Ukraine and Russian aggression was a top discussion point, along with promoting democracy and the US-led “Build Back Better World” initiative. Both also agreed to further cooperation in areas like tech and security with each other and with like-minded partners.

On 12 December, the G7 Foreign Ministers issued [a statement](#) condemning Russia’s military build-up and aggressive rhetoric towards Ukraine. They further warned,

Any use of force to change borders is strictly prohibited under international law. Russia should be in no doubt that further military aggression against Ukraine would have massive consequences and severe cost in response.”

On 10 December, the UK Department for International Trade (DIT) issued a [brief update](#) on the status of developing a trading scheme for developing countries, after soliciting and receiving 300 public comments from businesses and business associations, governments, civil society organisations and individuals. DIT noted, “Respondents were generally in favour of the policy proposals suggested in the Statement of direction,” while adding more time is needed to assess implications of the policy options. DIT is expected to publish a summary of public responses in the Spring of 2022, to accompany a report that will set out the UK’s Developing Countries Trading Scheme.

On 9 December, the UK [secured](#) an agreement in principle with Singapore for a Digital Economy Agreement (DEA), after six months of negotiations. It is the first digitally-focused trade agreement ever signed by a European nation. As the second largest services exporter, the DEA would overhaul outdated trade rules that affect both goods and services exporters, making it easier for UK business to target new opportunities in both Singapore and lucrative Asian markets. DIT also noted,

Singapore is a gateway to the wider Indo-Pacific region and the DEA will support our bid to join Singapore and 10 other nations in the Trans-Pacific Partnership (CPTPP).”

This week, the UK Secretaries of State for International Trade and Digital, Culture, Media and Sport met with US Secretary of Commerce Gina Raimondo in Washington D.C. A [UK readout](#) reflected the two sides discussed finding a way forward to allow consultations on steel and aluminium early in the New Year, with a view to combating global excess capacity and addressing outstanding concerns on US tariffs and UK rebalancing measures. UK Secretary of State Anne-Marie Trevelyan invited

Secretary Raimondo to London for further discussions in January. Secretary of State for Digital, Culture, Media and Sport Nadine Dorries and Secretary Raimondo agreed to deepen the UK-US partnership on data, including promoting the use and exchange of data across borders. The two sides affirmed intentions to work towards a UK-US adequacy decision – the status which guarantees high standards of protection for cross-border data flows. A [US summary](#) of the meeting also noted Secretaries Raimondo and Dorries commitment to “working with the OECD [Organisation for Economic Co-operation and Development] on common principles for trusted government access and agreed to take steps to cooperate globally to promote cross-border data flows.” The US and UK also issued a [joint statement](#) on deepening the data partnership.

While in Washington, Trade Secretary Trevelyan met with US Trade Representative Katherine Tai to discuss further developing bilateral trade and overcoming existing trade barriers. A [DIT readout](#) reflected the two sides agreed to “using trade to support the levelling up and build back better agendas, backing workers, and tackling shared goals such as easing global supply chains, developing digital trade rules, and addressing climate change.” Both also discussed the need to go further in promoting free and fair trade by combating unfair trading practices and reforming the WTO. Secretary of State Trevelyan also “highlighted the need to protect domestic industries, pushing for a resolution on the Section 232 tariffs levied on UK steel and aluminium producers.” Ahead of the visit, DIT [released a summary](#) of US-owned business investments and its impact in the UK.

In coordination with the US and Canada, on 10 December, the UK [announced](#) new sanctions against the Myanmar military for their role in serious human rights violations against civilians. The UK also sanctioned a former commander in the terrorist organisation Lashkar-e-Jhangvi, who helped orchestrate a 2017 bombing in Pakistan.

Notable US Developments

Both chambers of the US Congress were in session this week. On Thursday, the Senate approved by a vote of 59 to 35 a measure that would allow Democrats to increase the debt limit under a one-time simple majority vote, without any Republican support. Senate Majority Leader Chuck Schumer (D-New York) and Speaker of the House Nancy Pelosi (D-California) have yet to release text of the bill that will actually raise the debt limit, saying they hope to clear such a measure before Wednesday, 15 December. US Secretary of the Treasury Janet Yellen has warned that after that date the US Federal Government would be unable to meet its financial obligations.

On 10 December, the US Department of Labor’s Bureau of Labor Statistics (BLS) released its [Consumer Price Index](#) (CPI) report. The CPI for all urban consumers increased 0.8 percent in November, after rising 0.9 percent in October. Inflation hit 6.8 percent for the year, the highest since 1982. The indexes for gasoline, shelter, food, used cars and trucks, and new vehicles were among the larger contributors to increased prices in the month of November. According to BLS,

The energy index rose 3.5 percent in November as the gasoline index increased 6.1 percent and the other major energy component indexes also rose. The food index increased 0.7 percent as the index for food at home rose 0.8 percent.”

US President Joe Biden issued [statement](#) after the CPI report was released, seeking to place the inflation increases in context for American consumers, while also calling on Congress to pass his

\$1.7 trillion climate and social spending bill – the *Build Back Better Act* (BBBA) – before Christmas. The CPI report comes just days before Federal Reserve policymakers are set to meet. The data may give momentum to the Central Bank’s plans to speed up the withdrawal of its extraordinary support for the American economy during the pandemic.

The Biden Administration hosted its virtual [Summit for Democracy](#) this week. On 7 December, US Secretary Walsh [announced](#) the Multilateral Partnership for Organizing, Worker Empowerment and Rights (“M-POWER”) initiative, which aligns with the Biden Administration’s worker-centric agenda. M-POWER would be the largest commitment by the US Government – with more than \$120 million funded by the Department of Labor, Department of State and the US Agency for International Development – to advance worker empowerment and support trade union rights in the global economy. The initiative seeks to bring together governments, worker organizations and labor stakeholders to:

- Strengthen free and independent trade unions;
- Support labor law reform and enforcement;
- Promote worker organizing and innovative use of collective bargaining; and
- Extend labor law coverage to protect workers employed in low-wage jobs and sectors often excluded from labor law protection, particularly in the informal economy.

In [closing remarks](#) at the Summit for Democracy on Friday, President Biden spoke of working with the private sector to combat corruption, ensuring freedom of the press, building more equitable economies, and empowering citizens and human rights defenders, along with ensuring technology is not used to repress citizens. That same day, the Governments of the USA, Australia, Denmark, and Norway issued a [joint statement](#) that they would work together and use export control tools to prevent the proliferation of software and other technologies used to enable serious human rights abuses. Canada, France, the Netherlands and the UK also expressed support for the Export Controls and Human Rights Initiative ([fact sheet](#)). Earlier in the Summit, the White House released a [fact sheet](#) on the President’s initiative for democratic renewal.

On 6 December, the Biden Administration released a [US Strategy on Countering Corruption](#) that focuses on domestic and international priorities. Noting corruption is a national security concern, the Administration will focus on increased interagency cooperation to better “understand transnational dimensions of corruption, including by prioritizing intelligence collection and analysis on corrupt actors and their networks.” Working with allies, the US Government intends to close gaps used by corrupt actors with respect to the international financial system. This includes issuing beneficial ownership transparency regulations in the US that help identify bad actors hiding behind opaque corporate structures; enacting first-of-their-kind US regulations to reveal when real estate is used to hide ill-gotten cash or to launder criminal proceeds; and engaging partners to strengthen respective anti-money laundering regimes. The Biden Administration also launched a new initiative to engage partner countries on detecting and disrupting foreign bribery. With respect to the private sector, the Biden Administration said it would encourage the adoption and enforcement of anti-corruption compliance programs by US and international companies.

On 7 December, President Biden and Russian President Vladimir Putin discussed reports of increased Russian military at Ukraine’s border. A White House [readout](#) of the meeting reflected President Biden “made clear that the U.S. and [its] Allies would respond with strong economic and other measures in the event of military escalation.” President Biden [also spoke with](#) Ukraine President Volodymyr Zelensky, discussing his conversation with President Putin and reaffirming US commitment to Ukraine’s sovereignty and territorial integrity. President Biden and other

US officials [also engaged](#) other allies and partners this week – such as the [Bucharest Nine](#) and [European leaders](#) – discussing concerns with the Russia-Ukraine situation.

Also on 7 December, US Trade Representative Katherine Tai had a virtual meeting with Margarete Schramböck, Austria's Minister for Digital and Economic Affairs. Apart from the US-EU Trade and Technology Council (TTC) and cooperating via that format on emerging technologies, the two leaders [also discussed](#) World Trade Organization (WTO) reform. On 9 December, Ambassador Tai met with Norway's Minister of Foreign Affairs Anniken Huitfeldt, [discussing](#) WTO reform and addressing “challenges posed by China's non-market economy policies and practices.”

On 10 December, President Biden spoke with German Chancellor Olaf Scholz, congratulating him on his appointment and the formation of a ruling coalition. A White House [summary](#) reflected President Biden affirmed “his support for robust U.S.-German relations and desire to further strengthen transatlantic cooperation in the coming years.”

The US [announced](#) sanctions on 9 December – marking International Anti-Corruption Day – that targeted corrupt individuals and networks in Central America, Europe, and Africa. On 8 December, the US [imposed sanctions](#) targeting 16 individuals and 24 entities across several countries in Europe and the Western Hemisphere. Also on 8 December, the US Department of Commerce [announced](#) new export controls to address human rights abuses and corruption by Cambodian government actors. Ahead of the Summit for Democracy, the US Department of the Treasury [designated](#) 15 actors across three countries – Syria, Iran and Uganda – in connection with serious human rights abuse and repressive acts targeting innocent civilians, political opponents, and peaceful protestors. On 6 December, Treasury [sanctioned](#) Alain Mukonda (Mukonda), for providing support to previously sanctioned individual, Dan Gertler, as well as 12 entities linked to Mukonda or companies associated with him in the Democratic Republic of the Congo and Gibraltar.

Notable EU Developments

On 8 December, the European Commission [released](#) its legislative proposal for protection against third country economic coercion. The [proposal for regulation](#) for an EU anti-coercion tool is submitted for legislative scrutiny by co-legislators, a process that can take up to a year or more to be concluded, depending on the progress and how easily can co-legislators iron out their differences on the contentious aspects of the proposed law. The legislative proposal would establish a tool that would enable the bloc to impose counter-sanctions on individuals, companies and countries. The Council, representing Member States, appears to be more concerned about the ramification of adopting such a tool, while the European Parliament has been keen to establish such a tool that can be used as strong political instrument. Further details on the Anti-Coercion Instrument can be accessed [here](#).

The publication of the Anti-Coercion Instrument, comes amid a [diplomatic crisis](#) between Lithuania and the People's Republic of China (“China”). This summer, Lithuania allowed Taiwan to open a representative office in the Baltic State; China responded with increased customs blocks on Lithuanian exports. Consequently, Lithuanian Foreign Minister Gabrielius Landsbergis [asked](#) the EU to intervene on the country's behalf. Trade Commissioner and Executive Vice President Valdis Dombrovskis stressed after the publication of the proposed law that the EU is coordinating with the Lithuanian Government to clarify the situation, adding that the EU “is ready to stand up to all types of political pressure and coercion measures applied to any member state.”

On Wednesday, the German Federal Parliament officially [appointed](#) Olaf Scholz as Chancellor, marking a new beginning in German politics, following a 16-year leadership of Angela Merkel. Among

the first tasks of the new government, and newly appointed Health Minister Karm Lauterback, are measures that would limit the spread of COVID-19, as the number of infection have been rising rapidly over the last weeks in Germany. In terms of foreign policy, Germany will continue to pursue efforts to establish a “strong, sovereign and open European Union” with the first-ever Green candidate for the Chancellery, Annalena Baerbock, appointed as Foreign Minister. The Green Party also secured, as part of the coalition deal, the economy, energy and climate portfolios, under its newly appointed Minister Robert Habeck. Finally, the Liberal Party’s leader, Christian Lindner, secured the Ministry position of the second most powerful job in the German Government, the Finance Ministry.

On 7 December, Executive Vice-President (EVP) of the European Commission Margrethe Vestager met with US Commerce Secretary Raimondo and Ambassador Tai. A [US summary](#) reflected they discussed progress since the TTC’s first meeting on 29 September and next steps, with the next TTC expected to be held in Europe in early to mid-2022. EVP Vestager and Secretary Raimondo also discussed opportunities to enhance the security of networks across both markets, including through existing market players as well as development of open radio access networks (ORAN), along with research and development in this sector. EVP Vestager and Ambassador Tai [discussed](#) digital trade issues and common interest in engaging with Indo-Pacific trading partners on this matter.

Also on 7 December, the EU and Singapore [agreed](#) to strengthen the bilateral partnership on digital trade. Following the agreement, technical discussions will be initiated to expand digital ties, building on the existing [EU-Singapore Free Trade Agreement](#).

UK-EU Trade Deal Update

Negotiations between the UK Cabinet Minister David Frost and European Commission Vice President Maroš Šef?ovi? are at an impasse over the Northern Ireland Protocol, with concerns surrounding medicine supply in Northern Ireland. In a series of tweets, UK Cabinet Minister stressed that the two negotiators “have made further limited progress on medicines but we have not reached agreement.” He added,

I underlined the need for movement on all the difficult issues created by the Protocol, including customs, agrifood rules, subsidy policy, VAT / excise, & governance including the Court of Justice. We will not find a durable solution that does not deal with all these problems.”

According to [media reports](#), the UK is ready to offer big concessions with respect to the role of the European Court of Justice in the governance of the Northern Ireland Protocol.

Next week will be critical, as talks are due to intensify once more in an attempt to reach a deal on the Northern Ireland Protocol before the Christmas break. Meanwhile, on 11 December, a deal was [reached](#) on the fishery licensing concern, which previously caused diplomatic tensions between France and the UK. It appears the option of commonly agreeing on an extension of grace periods for custom checks on Northern Ireland ports is likely to be announced soon.

COVID-19 Highlights

With the emergence of the Omicron variant, scientists are seeking to understand the contagiousness and the potential impact the variant could have on vaccinated and unvaccinated individuals. Notably, the South African Medical Research Council reported that over the past two weeks, the majority of Omicron patients in South African hospitals' COVID-19 wards have not required extra oxygen to breathe. Only about a third of South Africa's eligible population has been fully vaccinated — far lower than in the United States and European countries. Omicron COVID-19 cases continue to be increasingly detected across the United States, while the US Centers for Disease Control and Prevention (CDC) reported this week that the Delta variant remains the dominant strain in the country.

On 8 December, Pfizer/BioNTech [provided an update](#) on its ongoing research with respect to Omicron and the effectiveness of its COVID-19 vaccine. According to Pfizer/BioNTech:

Preliminary laboratory studies demonstrate that three doses of the Pfizer-BioNTech COVID-19 Vaccine neutralize the Omicron variant (B.1.1.529 lineage) while two doses show significantly reduced neutralization titers.”

On 25 November, the companies started to develop an Omicron-specific COVID-19 vaccine, noting that first batches of the Omicron-based vaccine can be produced and are planned to be ready for deliveries within 100 days, pending regulatory approval. Meanwhile, Moderna has not yet talked specifically about the effectiveness of its own vaccine against Omicron; the company is also working on an Omicron-specific vaccine.

On 8 December, UK Prime Minister Johnson [confirmed](#) the country was moving to Plan B to address Omicron, while more data on vaccine efficacy and disease severity is assessed. Plan B was outlined in September and is intended to slow the variant's spread and mitigate pressure on UK hospitals. In a COVID-19 vaccine booster push, the National Booking Service is now open to all those aged over 40 to book their jabs. All eligible adults over 18 years old in England [will be able](#) to get the COVID-19 booster by the end of January.

With some exemptions for the hospitality sector, from 10 December, face coverings became compulsory in most public indoor venues, such as cinemas, theatres and places of worship in the UK. Effective 13 December, those who can will be advised to work from home. From 15 December, and subject to parliamentary approval, the NHS Covid Pass on the National Health Service (NHS) App will become mandatory for entry into nightclubs and settings where large crowds gather – including unseated indoor events with 500 or more attendees, unseated outdoor events with 4,000 or more attendees and any event with 10,000 or more attendees. Parliament will debate these measures this coming week, with a vote expected to take place on Tuesday, 14 December.

As the new variant continues to spread rapidly in Europe, the European Medicines Agency (EMA) stands ready to authorize an Omicron targeted vaccine in Europe around next spring. Separately, the EMA [recommended](#) this week Roche's for use of RoActemra in adults with severe COVID-19, and is expected to decide on the recommendation of the GlaxoSmithKline's antibody therapy, sotrovimab, next week.

[1] The G7 includes Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States of America; the High Representative of the European Union also participates.

[2] The Association of Southeast Asian Nations (ASEAN) is an economic union comprising 10 members in Southeast Asia: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

© Copyright 2025 Squire Patton Boggs (US) LLP

National Law Review, Volume XI, Number 347

Source URL: <https://natlawreview.com/article/transatlantic-trade-us-and-europe-week-december-6-2021>