

Transatlantic Trade | US and Europe: May 16 – 30

Article By:

Stacy A. Swanson

Christina Economides

At the end of the month, the European Union (EU) finally reached a deal – after weeks of negotiations – on an oil ban against Russian sourced oil and petroleum products. In mid-May, the United States (US) and EU concluded their second US-EU Trade and Technology Council ministerial meeting. Meanwhile, absent a free trade agreement (FTA) with the US, the United Kingdom (UK) is moving forward with agreements with US states, inking its first such deal with Indiana.

In this issue, we cover:

- Ukraine and Russia, and transatlantic responses;
- Other notable UK, US, and EU developments; and
- A brief UK-EU trade deal update.

Ukraine-Russia | Western Allies Continued Collaboration

On 18 May, the US Senate approved a \$40 billion assistance package for Ukraine, sending the bill to President Joe Biden's desk. He signed the bill into law while in Seoul, South Korea. The assistance package exceeded the \$33 billion originally requested by the White House; it provides both military and humanitarian assistance, including:

- \$6 billion for the Ukraine Security Assistance Initiative, which provides “training, equipment, weapons, logistics support, supplies and services, salaries and stipends, sustainment, and intelligence support to the military and national security forces of Ukraine,” according to a fact sheet from the House Appropriations Committee;
- \$9 billion to replenish arms sent to Ukraine from US stockpiles;
- \$3.9 billion to support US and allied troops in Europe;

-
- \$8 billion in economic support for Ukraine;
 - \$5 billion in food aid, in response to possible shortages worldwide caused by the war; and
 - \$900 million to support refugees from the war.

Shortly after the Senate action, the Biden Administration announced the release of another \$100 million in military assistance for Ukraine, including additional artillery and radar equipment.

Several weeks have passed without a breakthrough on the sixth package of EU Sanctions against Russia. EU diplomats were still negotiating the elements of a possible Russian oil ban up to the end of last week, after Hungary vetoed that move as it sought assurances from the EU given the economic impact on its economy. As a possible compromise, despite the Group of Seven (G7) agreement to phase out gradually Russian oil, there was speculation the oil ban could be removed from the package of EU sanctions, or oil transported via pipelines possibly exempted. EU27 Ambassadors met on Sunday, 29 May, to iron out some of the differences ahead of the Special European Summit, which was convened on 30 and 31 May. On 30 May, the EU27 Heads of State and Government finally [agreed](#) on next steps with respect to the sixth sanctions package – banning 90 percent of Russian crude by the end of the year. President of the European Council Charles Michel said the move would immediately hit 75 percent of Russian oil imports. The political agreement will be translated in EU law; it is expected to be published and agreed in the coming weeks.

On 25 May, the European Commission (EC) [published](#) a set of rules strengthening the regime for [evasion of sanctions](#), with the EC proposing to make it a crime in the bloc and including an effective tracing, freezing, and confiscation process, along with other mechanisms. In addition, the EC published a [Communication](#) laying out plans to publish a Directive that would determine the identification of criminal sanctions. According to the press release, these could include “engaging in actions or activities that seek to directly or indirectly circumvent the restrictive measures, including by concealing assets; failing to freeze funds belonging to, held or controlled by a designated person/entity; or engaging in trade, such as importing or exporting goods covered by trade bans.” Further information on these proposals is accessible [here](#).

On 27 May, UK Prime Minister Boris Johnson spoke with Hungarian Prime Minister Viktor Orbán, ahead of the EU27 Heads of State and Government meeting. A 10 Downing Street [readout](#) noted Prime Minister Johnson “acknowledged the challenging circumstances some countries faced in sourcing energy supplies but hoped the EU would be able to proceed with its sixth sanctions package.” The summary further reflected:

“Both leaders agreed that shoring up energy security and domestic resilience in Europe was crucial, while endless confrontation in Ukraine would only cause more suffering.”

Also last week, UK Foreign Secretary Liz Truss travelled to Prague. She met with Czech Foreign Affairs Minister Jan Lipavský [and spoke](#) about UK and Czech Republic actions to support Ukraine. The British Foreign Secretary [also visited](#) Bosnia and Herzegovina (BiH), where she also spoke of support for Ukraine.

On 19 May, the UK Government [introduced](#) new sanctions against the Russian airline sector. State-owned Ural Airlines and Rossiya Airlines will now be unable to sell their unused landing slots at UK airports.

On 25 May, the US, UK and EU [announced](#) they will establish the Atrocity Crimes Advisory Group (ACA) for Ukraine, a mechanism aimed at ensuring efficient coordination of their respective support to accountability efforts on the ground.

UK Developments

In the absence of FTA negotiations with the US, the UK continues to strengthen trade ties with American states instead. On 27 May, in a first, the UK and Indiana [signed](#) a “trade and economic development Memorandum of Understanding” (MOU) with four key objectives: enhancing cooperation, advancing low-emissions technology, removing trade and investment barriers, and improving research and academic ties. Enhanced cooperation will focus on “priority sectors,” such as manufacturing, aerospace, agriculture, low-emissions technology and energy, among others. The MOU notes it is “not legally binding and does not create any legal, equitable, or financial rights, obligations, or liabilities for the Participants.” A working group will meet on an annual basis. The UK Government is looking to strike similar agreements with an estimated 20 US states.

On 26 May, Prime Minister Johnson [presented](#) a Humble Address to Her Majesty The Queen on the occasion of her Platinum Jubilee. The nation will celebrate 70 years of the Queen on the throne over a four-day bank holiday from 2-5 June, a celebration expected to bring a boost to the UK economy.

Prime Minister Johnson [appointed](#) new Trade Envoys to Canada, Republic of Korea and Turkey on 26 May. British Trade Envoys promote UK trade, drive green economic growth, and encourage inward investments. Separately, the UK and Vietnam [held](#) their first Joint Economic and Trade Committee (JETCO) in three years on 25 May, seeking to increase cooperation across several sectors, including education, agriculture, technology, healthcare and renewable energy.

On 25 May, the Second Permanent Secretary [released its findings](#) from an investigation into alleged gatherings on government premises during COVID restrictions. In a [press conference](#) that day, Prime Minister Johnson accepted responsibility for a number of failings found in the report, while outlining reforms made to address concerns raised in the report. He also [addressed](#) the House of Commons on the matter.

The British Embassy [invited project bids](#) on 25 May as part of its programme to further strengthen British-Kuwaiti relations and support Kuwait’s ambitious ‘New Kuwait’ Vision 2035 agenda. The agenda seeks to transform Kuwait into a trade centre, with a resilient and diverse economy led by the private sector under the umbrella of government institutions, which accentuates social values and identity and supports human resource development.

On 24 May, Prime Minister Johnson [hosted](#) the Amir of Qatar to develop the bilateral partnership and agree on new joint work on trade, energy and defence. Strategic Investment Partnership will see Qatar invest up to £10 billion in key industries across the UK, creating jobs and growth. The UK and Qatar also agreed to work together improve the stability of energy supply chains and support security at the 2022 World Cup.

On 23 May, Foreign Secretary Liz Truss and her Lithuanian counterpart Gabrielius Landsbergis [agreed to](#) greater security and economic cooperation. The Declaration signed also

seeks to build closer trade opportunities, counter organised crime, tackle climate change and promote people-to-people links between the UK and Lithuania.

On 20 May, Mexican Secretary of Economy Tatiana Clouthier [met with](#) British Secretary of State for the Department of International Trade Anne-Marie Trevelyan in London. They formally announced the start of the negotiations for a FTA between the United Mexican States and the United Kingdom. The UK's FTA negotiating objectives can be viewed [here](#). Separately, the UK and Colombia released a [Joint Statement](#) in London after the second UK-Colombia Trade Dialogue on 19 May 2022

US Developments

On 20 May, President Biden and South Korean President Yoon Suk Yeol visited Samsung Electronics Pyeongtaek Campus, a model for the new \$17 billion Samsung plant being built in Taylor, Texas. President Biden [said](#) of the Samsung's investment in Texas:

"This investment will create 3,000 new high-tech jobs in Texas and add — to add to 20,000 jobs Samsung already supports in the United States of America."

He also stated:

"I urge Samsung and Stellantis and any company investing in the United States to enter into partnerships with our most highly skilled and dedicated and engaged workers you can find anywhere in the world: American union members."

In further stumping for organized labor, the American president said:

"For every joint venture that manufactures electric vehicle batteries would be made stronger by collective bargaining relationships with America unions. We also have outstanding, skilled, dedicated union building and construction trades workers ready to build the new Samsung facility in Texas. So, let's work together to make this happen and to get that plant built on time and on budget safely and efficiently. Because union labor means high-quality work that delivers the best possible return on investment."

Meanwhile, the US Department of Labor (DOL) and the Office of the US Trade Representative shared they will participate in the new transatlantic, tripartite Trade and Labor Dialogue, which was [announced](#) at the US-EU Trade and Technology Council (TTC) Ministerial meeting in Paris on 15-16 May. The dialogue will include European and American trade unions, businesses, and governments to promote internationally recognized labor rights and the eradication of forced labor and child labor via responsible business conduct, increase the effectiveness of trade and labor engagements, and explore possible joint technical cooperation and funding in support of these trade and labor engagements. The dialogue will convene at least once annually to discuss issues;

technical experts from government, labor unions, and businesses will engage during periods between the principal-level meetings.

On 23 May, President Biden formally [launched](#) the long-awaited Indo-Pacific Economic Framework (IPEF), while in Japan. IPEF initially includes 13 countries: the United States, Australia, Brunei Darussalam, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, and Vietnam; and it has four major pillars: (1) trade, (2) supply chains, (3) clean energy, decarbonization, and infrastructure, and (4) tax and anti-corruption. In a [joint statement](#), these countries noted:

"We invite participation from additional Indo-Pacific partners that share our goals, interests, and ambitions for the region. We are committed to collaborating with our framework partners in a manner that acknowledges the importance of technical assistance and capacity building, allows us to maintain a flexible approach, and delivers tangible benefits for our peoples."

A White House fact sheet on IPEF is available [here](#); a transcript of the White House background press briefing is available [here](#).

On 16 May, Abbott Nutrition, the baby formula manufacturer at the center of nationwide shortages, announced it had [reached a deal](#) with the US Food and Drug Administration (FDA) on steps for the company to reopen a currently shuttered processing plant. The infant formula processing plant in Sturgis, Michigan, was shut down in February and several brands recalled after the FDA opened an investigation into a bacterial outbreak at the facility. The Biden Administration also announced new guidance issued by the FDA to ease import restrictions on infant formula products from overseas, including from Europe, Australia and New Zealand.

On 25 May, US Secretary of Commerce Gina Raimondo released [a statement](#) applauding Pfizer for the launch of its "Accord For a Healthier World," whereby Pfizer has pledged to increase access to its' patented medicines and vaccines for 1.2 billion people living in 45 lower-income countries on a not-for-profit basis. She stated,

"Among the many global challenges highlighted during the COVID-19 pandemic, it's clear that governments alone cannot address all the health challenges we face. Through Pfizer's work to close health outcome gaps and create global access to vaccines, we'll make strides toward essential components that can help us address many of the inequalities we face and ensure we come out of the pandemic stronger than before."

On 18 May, the US Department of Commerce and SelectUSA [announced](#) the lineup of global executives, business leaders and US Government representatives who will address participants at the 2022 SelectUSA Investment Summit from 26-29 June in the Washington, D.C., area. The SelectUSA Investment Summit is the highest-profile event dedicated to promoting foreign direct investment (FDI) in the United States

From 31 May to 3 June, Deputy Secretary of Commerce Don Graves [will travel](#) to The Hague,

Netherlands, and Brussels, Belgium, to meet with representatives of the Dutch and Belgian Governments, along with the EC and private industry representatives. He expects to discuss geopolitical and transatlantic trade issues, including semiconductor production, joint work to secure supply chains, and cooperation on export controls related to Russia.

EU Developments

In mid-May, the second EU-US TTC took place in the suburbs of Paris, in Saclay, with the US represented by Secretary of State Antony Blinken, Commerce Secretary Raimondo, and Trade Representative Tai and the EU represented by Executive Vice Presidents Valdis Dombrovskis and Margrethe Vestager. The [EU-US Trade and Technology Council Joint Statement](#) published after the end of the second Ministerial meeting, outlines a broad range of commitments and joint efforts to advance transatlantic cooperation and democratic approaches to trade, technology, and security. The strengthened cooperation in responding to the Russia's ongoing conflict in Ukraine was highlighted throughout the statement. Trade Commissioner Dombrovskis noted after the meeting:

"We will work closely to secure our supply chains and boost global food security. We will build on our unprecedented transatlantic coordination on export controls against Russia to further align our approaches in this critical field, while also boosting trade with Ukraine. We will also cooperate on promoting green trade, for instance through green public procurement."

The European Parliament's Environment, Health and Food Safety (ENVI) Committee endorsed the reports on the [Emissions Trading System](#) (ETS) and the [Carbon Border Adjustment Mechanism](#) (CBAM) on 17 May. Members of the ENVI Committee agreed on key amendments that would extend the scope to cover aluminium, hydrogen, polymers and organic chemicals. Importantly, the Report aligns with the ENVI Report adopted on the EU ETS proposal, foreseeing a phase-out of free-allowances by 2030 when the CBAM is fully established. During the transition period, free allocation of reduced amounts to certain production could be granted under the CBAM. The report will be put for a plenary vote on the June plenary session. After the formal endorsement, inter-institutional (trilogue) negotiations with the Council and the EC could begin.

The trilogue negotiations on the Foreign Subsidies Regulation continued over the last two weeks. The two co-legislators' positions were "rather convergent" after the first trilogue meeting, as outlined by the European Parliament Rapporteur on the file, Christophe Hansen (EPP, Luxembourg). Despite the progress, it appears the timeline to conclude the trilogues before the end of the French Presidency at the end of June seems rather ambitious.

Meanwhile, negotiations on the anti-coercion instrument are also advancing at both the Council and the European Parliament. The French Presidency presented a compromise text proposing to shift some of the powers to the Member States as opposed to the EC. However, due to remaining reservations, negotiations continue and most likely beyond June, which will be under the leadership of the incoming Czech Council Presidency. The European Parliament's International Trade Committee Members have submitted a number of amendments to the [draft Report](#) by Bernd Lange (S&D, Germany) which are due to be published in the coming weeks.

On 18 May, the EC presented the [REPowerEU Plan](#) to respond to global energy market disruptions, and the EU's desire to end the bloc's dependency on Russian fossil fuels. The Plan outlines the

methodology for energy savings, diversification of energy supplies, and accelerated rollout of renewable energy to replace fossil fuels in homes, industry and power generation. Further information on the plan can be accessed [here](#). On the same day, the EC and the European External Action Service published a [joint communiqué](#) on a strategic partnership with the Gulf countries (Saudi Arabia, Qatar, Oman, Kuwait, Bahrain and the United Arab Emirates), focusing on strengthening the cooperation on “global security threats; energy security, climate change and the green transition, digitalisation, trade and investment.”

Negotiation on the COVID-19 vaccine intellectual property (IP) waiver proposal continued this month at the World Trade Organization (WTO), ahead of the 12th WTO Ministerial Conference set for 12-15 June. Despite some incremental progress, it appears there is still a lot of ground to cover before reaching a compromise that can be endorsed across the board. With the EU, US, and South Africa progressing in their consultations, it appears the UK and Switzerland are still viewing the compromise with skepticism. Negotiations are set to continue these next two weeks.

UK-EU Trade Deal Update

Coinciding with a trip to Northern Ireland, Prime Minister Johnson wrote an [opinion piece](#) published by The Belfast Telegraph, where he noted the conditions for successful power-sharing have been enhanced by the recent election in Northern Ireland. He also addressed the Good Friday Agreement and the Northern Ireland Protocol with the EU, noting:

"Many things have changed since the Protocol was agreed. It was designed in the absence of a Trade and Cooperation Agreement and when it was unclear one would be agreed. It has not been adapted to reflect the realities of the TCA."

He added,

"We have been told by the EU that it is impossible to make the changes to the Protocol text to actually solve these problems in negotiations – because there is no mandate to do so. We will always keep the door wide open to genuine dialogue."

On 17 May, UK Foreign Secretary Liz Truss [announced](#) plans before the House of Commons to propose a bill that would override parts of the Northern Ireland Protocol. The bill is expected to be introduced in early June. The planned bill would aim “to find a solution that can command the broadest possible cross-community support for years to come and protect the Belfast Good Friday Agreement in all its dimensions.” In particular, it reportedly seeks to introduce changes on the Protocol’s provisions with respect to the movement of goods, goods regulation, VAT, subsidy control, and governance. The EU has continuously stressed that any unilateral actions contradicting an international agreement is not acceptable. EC Vice President Maroš Šef?ovi? also [stated](#) that if the UK proceeds with “a bill disapplying constitutive elements of the Protocol as announced today by the UK government, the EU will need to respond with all measures at its disposal.”

Meanwhile, Speaker of the US House of Representatives Nancy Pelosi (D-California) chimed in and

warned the UK Government against discarding the Good Friday Accords. On 19 May, in a series of tweets, she [stated](#):

"The Good Friday Accords are the bedrock of peace in Northern Ireland and a beacon of hope for the world. Ensuring there is no physical border between the Irish Republic and Northern Ireland is necessary for upholding this landmark agreement, which transformed Northern Ireland."

She also [issued a statement](#) of support for the Northern Ireland Protocol.

© Copyright 2025 Squire Patton Boggs (US) LLP

National Law Review, Volume XII, Number 151

Source URL: <https://natlawreview.com/article/transatlantic-trade-us-and-europe-may-16-30>