

Security Aspects of Trade Policy

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Recent developments

- ➔ Trade policy shifts of major global players
 - ▶ Divergence from global rules-based trading system
- ➔ EU response
 - ▶ WTO compatible unilateral and bilateral steps
- ➔ Czech interests in trade policy
 - ▶ Open
 - ▶ Secure
 - ▶ Diversified

Trade policy in geopolitically turbulent world

- ➔ Openness may imply security vulnerabilities
- ➔ Market closure implies lack of innovation and lagging behind
- ➔ Subsidy schemes not effective in the long run

- ➔ Open trading and investment environment with security safeguards

Mitigating risks in trade policy

- ➔ Keeping secure investment environment
 - ▶ FDI screening
- ➔ Reducing critical trade dependencies
 - ▶ Import / export
 - ▶ FTAs, sectoral agreements
- ➔ Addressing tech leakage
 - ▶ Export controls
 - ▶ FDI screening
 - ▶ Trusted research

FDI Screening: Vulnerabilities

→ critical infrastructure

- ▶ large companies
- ▶ in touch with state authorities

→ emerging and disruptive technologies

- ▶ undesired transfer of technology
- ▶ EU definition of critical technologies: from AI to advanced materials
- ▶ startups, spinoffs, SMEs
- ▶ security mindset variable, deal pace rapid
- ▶ Recommendations on EDTs and investment screening

Thank you for your attention



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