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“Session II: Supply Chain Resilience”

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Giulia Tercovich: Good morning, everybody. Welcome to the second session. In this second session, we will focus on the current challenges and perspective for supply chain resilience. My name is Giulia Tercovich. I’m assistant director at Center for Security, Diplomacy and Strategy, CSDS. Really happy to be here today.

So, in our panel we will start by thinking – or, at least, this was my thinking when I was preparing for this session – that basically since the end of the Cold War, the predominant idea was that a more interconnected world, paired with the excitement for a cheaper manufacturing cost taking place elsewhere, was a positive development for peace and stability. I think now we can say that these assumptions are challenged. Some doubt on the resilient supply chain already emerged after the 2008 financial crisis and after the Fukushima accident in 2011. Doubts continue about the sustainability of this assumption. But it seemed to me that these disruptions were perceived as temporary.

More recently, now with the COVID-19 pandemic but also with the accident in the Suez Canal, now the war in Ukraine, and all the consequences of all this, we can say that these disruptions are not temporary anymore. We kind of come to an agreement they will not go away. And so with this idea, we also agree, I think, that we need a bit more serious rethinking of supply chain resilience. And we should also start thinking about concrete actions that we should take to face those challenges.

At EU level, the EU, as we mentioned several times today already, recently adopted an Indo-Pacific strategy. And in this Indo-Pacific strategy, supply chain resilience is one of the top EU priorities. At the same time also in the Quad framework, emphasis was on securing supply chain for critical and emerging technologies. I’m sure Mike will ask questions about that later on. For the U.S. it's, of course, also a very relevant issue. So today I’m very happy to have the possibility to discuss all these challenges and hopefully also some ideas on how to overcome them with a great panel.

We have – I’ll start with my right. So we have Matthew Goodman, senior vice president for economics at CSIS. Our own Ramon Pacheco Pardo, CSDS Korea chair and professor of international relations at King’s College London. We have Shin Oya joining us online today. You can see him on screen. Head of Tokyo office of the European Bank for Reconstructions and Development. Welcome, Shin. And we also have Linde Desmaele, CSDS senior associate researcher, and also visiting scholar at Columbia University.

So without any further ado, I think I would start by asking you two very general questions. The first one would be, what is, in your view, the – what are, in your views, the effects of these recent developments? The one that I just mentioned, but in terms of geopolitical and geoeconomics perspective,
and more in general what are the current – what are currently the main challenges, in your view, for supply chain resilience? And maybe as a second question, how can the EU, U.S. and partners in Indo-Pacific – how they can work together to mitigate those challenges. What initiatives can they take? And also how should they rethink supply chain?

Matthew, would you like to start? Thank you.

Matthew Goodman:

OK. Thank you, Giulia. And it’s nice to be here. And I will try to answer your questions. But let me first – and maybe I’m getting to the second question in a way, by saying I think the fact that we’re having a transatlantic dialogue on the Indo-Pacific is a big deal. And four or five years ago, I don’t think we would have been able to have a meaningful dialogue about the Indo-Pacific, for a couple of basic reasons. One, I think our own sort of forces of nationalism and, you know, strategic autonomy, or whatever version – Trumpism – whatever version of it you want to talk about, was creating, you know, sort of a divergence of perspectives on the world generally and on our relationship. And second, I think our sensibilities about the risks of a rising and assertive China were very different.

So I think those things have really changed. I mean, even in the last four or five months I think the tenor has changed in our dialogue. You know, with the Russia-Ukraine crisis obviously creating a sense of the importance of transatlantic cooperation to deal with an interrelated set of issues, obviously narrowly focused on Ukraine, but more broadly. And I’m sure the previous panel got into this in more depth but, you know, the relationship to – you know, to the China Indo-Pacific story here is – I guess it was Kurt Campbell who first called this one theater. Or maybe he called it two theaters and then somebody else said it’s actually one theater. And so we’re really dealing with a common set of challenges for the transatlantic alliance. And so I think this is really timely to have this conversation. And it augurs very well for the Trade and Technology Council meeting that will be held later this week.

So, now on your questions about supply chains. I mean, I think most people understand the analysis that you just gave is absolutely spot on. And I think we understand that the traditional approach, or the last 30, 40 years of globalization, you know, has changed, and we have to do things differently. We’re not going to be able to just count on the sustainability of existing global supply chains. We need to make them more resilient. That’s obviously been a wave of different pressures that have caused that. Protectionism, the pandemic, obviously most recently Ukraine, Chinese coercion – all of these things are – and a sense of too much interdependence that has to be somehow risk protected, to some extent. And we need to – we need to harden our systems and create more resilience, more, you know, alternatives and redundancies in our global supply chains.
I also think the good news is the U.S. and EU are focused on some of the right areas of – or, the right vulnerabilities that we need to address. Those are pretty clear, and both the U.S. and EU have studied the sort of critical dependencies we have and are focused on, you know, whether it’s at the level of products like PPE – protective equipment – or components like semiconductors or even batteries, and then commodities – so products, components, and commodities. We’re focused on critical minerals. Energy/food are also in this category now, as Ukraine has highlighted. So I think we’re all focused on the right set of vulnerabilities and issues.

And the TTC working group on supply chains specifically, its focus in the September meeting – I guess they identified four priorities: semiconductors; critical minerals, especially rare earth magnets; clean energy, especially solar energy; and pharmaceuticals. And so I think those are – that’s a good list to start with. There’s a whole bunch of other things in let’s call it broadly the digital connectivity space, whether it’s, you know, 5G, 6G, Open RAN, subsea cables, cloud services. I mean, there’s a whole suite of concerns in the digital space that I think we also need to work together on.

The question is how to coordinate. So all the stuff I’ve said so far is kind of obvious, known, understood I think on both sides of the Atlantic. The question is: How do we move forward? And that’s really hard because this stuff is extremely complex. There are many products, you know, components, private and public players, countries, et cetera involved, so coordinating is really hard.

I think, again, the agenda that the TTC set out for itself in this working group, I mean, which were, quote, four things: “increasing transparency of supply and demand” – that’s good; “mapping respective existing sectoral capabilities” – that’s good; “exchanging information on policy measures and R&D priorities” – good; and “cooperating on strategies to promote supply chain resilience and diversification” – good but easier to say than to do. (Laughs.)

So I – just forthcoming from the Wilson Center is a paper I wrote on U.S.-Korea cooperation on supply chains, and I made four basic recommendations that I think apply here in this conversation as well. Number one is we need to work together – the U.S. and EU – to align our approaches and incentives for R&D and investment in critical technologies, in critical products and materials as well. So that’s number one. And I would say in that context we need to make sure that we are not engaging in a subsidy race to the bottom and creating overcapacity in these sectors. That’s a really important element of coordination, is to make sure we’re doing all those things.

Second, we need to align our defensive policies – cybersecurity, investment screening, export controls. That work is underway and that’s good.
Third, we need to – and this is important; it often gets overlooked when we’re kind of in our protective mode – but we need to work together to promote an affirmative agenda of rules/norms/standards that work for us and digital rules as well. And in that context, the U.S. and EU have a lot of work to bridge a difference of approach on some of those things, so – whether it’s privacy or digital rulemaking.

And then, finally, my fourth recommendation was a more process one. We ought to use some of these plurilateral forums beyond the TTC – which is the obvious bilateral mechanism – but the G-7 plus the Quad and then regional trade agreements some of which Europe is not currently involved in but there could be nexuses with APEC, with the regional trade agreements, with this new Indo-Pacific economic framework that the Biden administration has proposed. And so that is more than enough.

The only final thing I’d say is I think it’s really critical that we pull the private sector into this conversation because these supply chains are incredibly complicated and unless we have that input from the private sector it’s – this isn’t going to work. And frankly, in both the U.S. and EU there is a little bit of neuralgia or discomfort with engaging with the private sector, and I just think that’s a mistake in this space because we really need to get that sort of learning on the ground. So –

Ms. Tercovich: Great. Thank you very much for this initial reaction. Indeed, a lot of things to discuss, starting from the EU-U.S. and how they can align on what exactly and how much time this will take, how much time do we have.

Ramon, would you like to go next? And – thank you.

Ramon Pacheco Pardo: Sure. Thank you. And very nice to be back in CSIS and D.C. in person.

I have three key points to make. I mean the assessment the assessment or the change in thinking that both of you made over the past 10 years, but also more recently with COVID and Russia’s aggression over Ukraine and Chinese assertiveness that actually many Indo-Pacific countries alerted us as many Europeans first a few years ago issues such as the South China Sea island building, et cetera, et cetera.

So I think the first point to make is that we are seeing this process of onshoring taking place across different economies – U.S., Europe, the Indo-Pacific – but a concept that is being used by economists, it’s on my own concept, is this idea of friendshoring, the idea that you are going to be working together with friendly countries and you’re going to be creating these supply chain networks that bring together countries that you trust. But I will build on Matthew’s point: it’s not only countries; you need to bring in
the private sector. And I think here, in my view, countries such as Japan, Korea, Taiwan are a little bit ahead of Europe and in the U.S., so maybe there’s something that we can learn as we move into this so-called friendshoring framework. Countries that seem to be willing to cooperate in this area – of course, the U.S., Europe, Japan, Korea, Taiwan; but also, if you’re looking in minerals, for example, some other materials, right, we need to bring in Australia, Canada of course as well. So there’s a bunch of countries. Maybe the concept of G-7+ that you just mentioned, right, is necessary to emphasize this even more so than we have been doing in the past.

And the role that Southeast Asia may or may not play, because it’s at the center of, obviously, Indo-Pacific dynamics. Some of the economies there, especially Singapore of course, are central to global trade, increasing supply chains for example in pharmaceuticals. So how do we cooperate with them?

But here comes the first challenge, which is none of these countries want a decoupling from China. They may not want dependence on China, but certainly they don’t want decoupling from China. It is true that this idea of decoupling – the discussions of decoupling that we were having three or four years ago that many economists and businesspeople were telling us, well, that’s not really going to happen, it’s true that we don’t really talk in these terms anymore. We talk more maybe on the creation of two separate supply chains, so this friendshoring concept that I – that I mentioned.

And in this context and the role of the TTC and how it can engage with these countries in the Indo-Pacific that welcome increasing dialogue between the U.S. and Europe – and the EU but on the other hand are fearful that their companies are going to have to comply with whatever Europe and the U.S. decide – and that’s a fear that you hear from officials, for example, from countries in the Indo-Pacific region – the second point to be made is that we have seen these supply chains – discussion of supply chain resilience as part of this broader rearrangement of the global economy, the increasing importance of the digital economy that has been mentioned already, the development of new technologies – 6G, electric batteries, new innovation semiconductors, green shipping for example.

Now, in these conversations the U.S. and Europe cannot be alone, because in these conversations many of the leading firms and countries are in the Indo-Pacific, right? You have countries such as Japan, Korea, Taiwan again, Singapore as well, have become leaders in these sectors, so you need to involve them very closely in this transpacific dialogue. And really, in the previous panel they were talking about this do we have a single theater of operations. So when it comes to the economy, I think we do have a single theater of operation. The transatlantic and the Indo-Pacific have to come
together, but also understand the vulnerabilities that Europe, the U.S. may have.

I will say specifically Europe in this respect, if we look for example on new technologies, it is true that European economies are lagging behind the U.S. and Asian economies in the development of these new technologies. So to an extent, other countries – my question – my question, why Europe and the EU feels that it can lead in this area? I’m not saying it should. And I’m saying that some other countries might question this.

And the final point, the role of China. With the U.S. leaving TPP a few years ago, and not CPTPP, Europe, of course, the EU, is now about to join this agreement with the launch of RCEP, with the launch of DEPA and potentially China joining DEPA plus CPTPP and actually being part of RCEP, what we are seeing is that in this more formal economic frameworks, China’s actually becoming more embedded in East Asia – broader East Asia, when it comes RCEP. But also the Asia-Pacific, right, when we look at CTPP and also when we look at DEPA, right? And of course, China still has the Belt and Road Initiative that we don’t mention enough these days, but it continues to exist.

So what we need to think is – I think what Matthew was talking about – how we present a positive vision, rather than simply, oh, we’re trying to contain China, we’re trying to present something that China is not doing, right? Because clearly there are countries in the region that feel that the vision we have to present is very different. This is a positive case about why there should be more cooperation with the U.S., Europe, and our partners in the Indo-Pacific region. And I will leave it there for my initial remarks. Thank you.

Ms. Tercovich: Great. Thanks, Ramon. Linde, over to you.

Linde Desmaele: OK. OK, thank you. Thank you, Giulia. So I guess what I’ll try to do is I’ll try to zoom out a little bit and embed the broader – the discussion on supply chain resilience in kind of a broader view of the transatlantic relationship and the future of the transatlantic relationship, because I think that that really kind of sets the scope for any discussion on this, and also in response to Giulia’s question.

So I think it’s kind of a cliché, but when we think about the transatlantic relationship, obviously the U.S. and many European countries, we are political and security allies, but we are also economic competitors. And since the beginning of the Cold War, the U.S. basically committed to providing security protection for its allies, and in exchange it kind of expected some support for a broader U.S. design for international order, including an open, integrated, economic trading system and economic order.
And this framework or this mix of political cooperation and economic competition for many years structured the transatlantic relationship. Of course, this relationship went through some periods of friction but, overall, it served as a very strong and stable pillar of the international order and also an international order that both sides of the Atlantic deemed to be very well serving their interests.

Now, as was already mentioned, this notion of an ever-expanding, open, integrated economic order is increasingly – has increasingly come under pressure. And different kinds of political forces are now trying to increase their leverage over economics again, to kind of reorganize this disorder somewhat.

And I think that, as was already alluded to, the geoeconomics strategies of both the United States, as well as its European allies, were kind of based on this notion of good economic competition and was largely building on this assumption that an open economic order would also add an increased economic interdependence and lead to stability and peace.

Today we kind of see that this assumption is being rejected, but we’re not entirely sure yet as to what comes instead, and also as to what that means for the – for the future of the transatlantic relationship. And I think that this evolution is really the context within which this discussion on supply chain resilience needs to be had, because supply chain resilience is really a topic where all of this very much comes together.

As was already alluded to, supply chain resilience used to be considered much – primarily a technical problem. Then in recent years, with the digital transformation, green transition, we’ve seen it become the topic of national economic strategies, even if different governments might have different views on the relative importance of those two aspects. But that’s another discussion.

And then if we more recently add, of course, this growing geopolitical rivalry, and today also the economic impact of the Russian war in Ukraine, supply chain resilience is now also something geopolitical. But the fact that we have these technical questions, these ongoing economic transformations, and this geopolitical rivalry – all of this coming together – that’s also what has put this issue on the transatlantic agenda. And I think that it also, in a different way, perhaps, really underlines the growing importance of the Indo-Pacific in the transatlantic conversation. Because if we – if we look at the reviews that were conducted by both the United States and the European Commission last year on potential vulnerabilities in their – in their supply chains, for both of them much of their dependencies in what they call sensitive ecosystems are concentrated in the Indo-Pacific, with China, obviously, raising some alarm bells. But I also
think that if we unpack this notion – I mean, we view it as something technical but also something economic and something geopolitical, it’s also clear that different actors – firms, but also civil society, governments – have actually very different motivations and very different drivers while they all work together under this broader notion of resilience.

And some of these goals might be mutually reinforcing. So the digital transformation might actually serve geopolitical interests. But some may also be in tension with one another. Economic efficiency gains and geopolitical interests, for example, do not always go hand-in-hand anymore. But I think that we’ve seen different governments trying to balance all this by combining three types of strategies. So on the one hand, indeed, increasing domestic capacities, some onshoring. Then a push for domestic – I’m sorry – for economic diversification, which also includes the friend, ally-shoring. And then some push for international cooperation.

But the international cooperation is, I think, the most fascinating question, but also the hardest. And if we are, perhaps, a little bit blunt, it’s clear that if we look at the actual policies of the U.S. and the EU, there’s been a lot of focus on the domestic capacity and less so on the international cooperation question. Because I do think that that actually involves a broader question on what kind of a strategic bargain we can conclude on this relation between economics and politics, and then how this relationship should be conceptualized, actually, for the future.

Now, I do think that the priorities that were set out in the TTC on this issue make a lot of sense – increasing transparency, and so on and so forth. Something that wasn’t mentioned yet but perhaps could also be an obvious – an obvious immediate action is to try to modernize and strengthen trade rules and to also provide more legal certainty to firms. Indeed, in part to prevent some sort of subsidy races to the bottom.

But I think I would just like to wrap up by saying that I think that the key task basically for both sides of the Atlantic, and attacks that should probably occur in close consultation with partners in the Indo-Pacific, is to make sure that as they rethink their geoéconomics strategies that those strategies do not undermine their geopolitical objectives, because those are actually very largely aligned. So we need to somehow find a way on how we can rethink this relationship. And I think we’re starting to do it, but we’re not quite sure yet how this will end. And with that, I will wrap up. Thank you.

Ms. Tercovich: Thank you very much, Linde.

Shin, joining us, yeah, from the screen.
Shin Oya:

Thank you very much, Giulia. And I really wanted to join physically. Sorry, can you hear me? OK, great. And I cannot make it. But thank you very much for allowing me to attend over the screen.

And Giulia mentioned the interdependence or interconnectedness. So I’d like to start from interdependence. And I think there is two thoughts. One is interconnectedness will reduce the possibility of a war. For example, Norman Angell mentioned this in 1910, “The Great Illusion.” So I think there still is such kind of effect. But at the same time, there is an argument that such kind of interdependence can be utilized for a kind of coalition. For example Albert Cashman mentioned this, 1945, in his book. And right now, the discussion is that we have to be very careful about such kind of a model, utilization of interconnectedness. Therefore, that increasing resilience for supply chains is really important.

And in Japan, probably as you know, discussion is going on regarding the economic security legislation in the Diet, parliament. And there are several components, like in strengthening critical infrastructure, and also enhancing R&D capability, and also private patent system in which information is not disclosed. But the most important element is increasing the supply chain resilience.

So, in Japan, such kind of economic security regulation and discussion is going on and I think these are very good things. However, today I just want to touch upon the basic philosophy for us to watch in the supply chain issue or economic security issue.

The main reason for me mentioning this is actual technology and also goods are going to change based on time. Therefore, we need to approach this issue in a dynamic manner. So philosophy is very important, I think, and already most of them are mentioned by Matt or the previous speakers. However, I would like to mention this by my own way. I think there are four points in which – I mean, you know, which it’s very important for us to consider when we think about supply chain resilience or economic security.

Number one, selectivity or focus is very important. And you know, this is because there is a tradeoff between efficiency and also resilience. Therefore, if we try to achieve hundred percent resilience for all of goods or services, that will reduce efficiency very much and that will reduce possibility for economic loss and that will weaken the economy. So a weakening economy cannot support enough defense budget, so this will result in weaker security. Therefore, focus is very important for us to approach economic security or supply chain resilience. This is number one.

And number two, capability is very important, and not to mention that positive agenda. So we have to think about not only protecting the
technology or supply chain, but also we need to enhance capability. And this is about technology. We need to increase R&D for technology. And also human resources is very important like education, while allocating more money for education – elementary education and also higher education. So capability is very important. This is number two.

And number three, coordination or cooperation is very important because it’s a very bad policy for us to, I mean, try for so-called reshoring, asking every Japanese company to return to Japan. This is a very bad policy, I think. Therefore, diversification or cooperation with these likeminded countries is very important. And also, even technology is severe while we are making international cooperation or coordination is very important. So coordination is, certainly, an important element.

And, fourth, I think concept of deterrence is very important. And you know, everybody knows that some country is very aggressively use – utilize so-called economic coercion, and natural way to coping with such kind of economic coercion is, like, diversification or reducing dependency. This is, of course, very important. However, reducing the dependency very much costs a lot. Company decide its geographical location based on economic reason. So try to reduce or carve a specific company decision for a specific factory is very costly. I’m not saying that we will be able to stop such kind of conservation. However, striking a balance is very important, and we’re striking the balance.

Some mechanism in which we are going to utilize so-called anti-coercive instrument, this is very important. And I understand European countries – the EU – started to discuss these kind of mechanisms. And by introducing this kind of economic – anti-economic-coercion instrument initiative, we can deter if some country tried to overutilize economic coercion. And this is very useful, and this is a kind of analogy of economic – Article 5 of NATO agreement or that Japan-U.S. that – I mean, security treaty.

So, again, I think four elements are: focus, capability, and the coordination, and the deterrence. These are very useful and very important elements when we consider economic security or supply chain resilience. I will stop there.

Ms. Tercovich: Great. Thank you very much. We only have five minutes left. So if there are questions this is the moment. Yes, please?

Q: Yeah. Thank you. I’m Mark Tokola from KEI.

For the 2008 financial crisis, the G-20 was an effective mechanism. There will be a G-20 summit this year. Indonesia is hosting it and, reportedly, has invited Russia. Is there anything the G-20 can do this year to promote a global economic problem solution or is the G-20 now an anachronism?
Mr. Goodman: I’m probably the biggest fan of the G-20 in this room, having worked on it from its early days and including in the White House. But I’m very skeptical about the value the G-20 can play. It should. There are a huge number of issues in the world, including these, that the G-20 is really the only organization – because of its membership, because of its flexibility, because of its leader-level engagement – that can take on some of these challenges, from pandemics to supply chains to Russia – problem in theory. But, in reality, I just think it’s just – you know, there’s – half the group won’t do anything with Russia in the room and the other half won’t do anything without Russia in the room.

So I just don’t see – if I’m Indonesia hosting this year I don’t know what I would try to pull out of this. I’d, maybe, focus on some very specific noncontroversial things and try to move things. I can’t believe I’m being so kind of pessimistic and gloomy about the G-20 because I, generally, believe it’s a really important part of the global architecture. But I’m very down on it right now.

Ms. Tercovich: Thank you, Mark.

Linde, Ramon, Shin, would you like to react on this one? I think – yeah, indeed, the settings and where we will keep going with this discussion remain an important and relevant question.

Maybe to conclude just, literally, 30 seconds each, right. Yes, it’s going to be complicated. We mentioned a lot of interesting things, including how to involve the private sector. So just one suggestion from you on how to combine the need for strategic thinking that is coming from policymakers and at the same time how to merge these with the need for the call that – from the private sector for focus on the economic interest and how to merge the two, in 30 seconds, if you can.

Mr. Pardo: I think that what we should do, we – many of the G-7+ – some people call it the D-10, or D-10 I heard as well – so these likeminded partners, so to speak, right, involving all of them and inviting the private sector is something that the Biden administration has done, inviting the private sector to discussions. In Japan and Korea it happens all the time, Taiwan as well.

So I think making this a regular feature of the dialogues that they’re having about supply chain resilience and the economics, more broadly.

Ms. Desmaele: I think maybe I was a little bit skeptical about the very narrow topic of supply chain resilience in making this bridge between politics and economics and I actually think it probably would be a better idea to start to do that but also to talk about other things such as export controls of the high screening standards for technologies and so on and so forth, where it's
probably easier, actually, to come to cooperative frameworks, both the U.S., the EU, Indo-Pacific partners, the U.K., and so on and so forth.

So if you look at the working groups, perhaps, of the Transatlantic Trade and Technology Council, I think that supply chain resilience is only one working group and I actually have a lot of high hopes, perhaps, more for the others than for this very particular one.

Ms. Tercovich: Thank you, Linde.

Shin, final words?

Mr. Oya: Yes. From my side, I think that involving private companies are the early stages is very important, and that is done very carefully and also explained very well to private companies. And of course government doesn’t have to always follow private sector’s voice, but at least listening to such voice and carefully factoring in such kind of voices is very important for us in succeeding in supply chain resilience and economic security generally.

Ms. Tercovich: Thanks.

Matt?

Mr. Goodman: Well, there’s no single answer, I think, to involving the private sector. If you want a practical solution, there used to be something – when we had economic challenges with Japan back in the day, there was a kind of four-sided table that was created with the two governments and then the two – sort of cross-section of business leaders on both sides. And it had a name, the Business-Government Commission or something. Something like that to support the TTC I think would be useful.

But the broader point is I think, you know, it’s a question of mindset. I think both in the U.S. and EU, as I say, there’s a little bit of neuralgia about working with the private sector for – you know, for good reasons and not so good. But the fact is, you know, the private sector are the ones who create these supply chains, create the technologies, the products, and you know, they have to be there for their expertise and their ability to implement. And the other reason is, in addition to our diplomats, businesspeople are the people out on the ground who are actually, you know, delivering products but also kind of the rule of law and all the things that we want to promote as the U.S. and EU. So I just – I don’t – I don’t work for the private sector; I just would say it’s critical to – you know, to bring them into these conversations on so many levels. So –

Ms. Tercovich: Good. Thank you very much.
I think we will conclude here this section. I’m really happy because we – of course, we all agreed that there is a need to have more cooperation, but I think there were also kind of some very practical ideas on how to implement this. So please stay with us. We will now move to the next – to the next, final remarks. Thank you very much and thank you to our speakers. (Applause.)