

## **Mapping the EU-North America Trade Diplomacy through crises**

**Eleonora Poli, Andre Wolf and Rossella Boccia**

Policy Brief 6/2025

May 8, 2025

*This policy brief is realized with the support of the Policy Planning Unit of the Ministry of Foreign Affairs and International Cooperation pursuant art 23-bis of Presidential Decree 18/1967. The opinions contained in this policy brief are solely those of the panellists and do not necessarily reflect the opinions of the Ministry of Foreign Affairs and International Cooperation.*

## Mapping the EU-North America Trade Diplomacy through crises

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### Introduction

This paper analyses the evolution of trade diplomacy between the European Union (EU) and North America (the United States and Canada) since the early 2000s, considering external crises such as the 2008 financial downturn, the COVID-19 pandemic, and the ongoing war in Ukraine, as well as internal political dynamics, all of which have affected bilateral trade and economic relations. The above-mentioned external shocks have indeed contributed to the fragmentation of the global economic order, affecting EU-North America economic relations in distinct ways, while internal political shifts have determined changes in national political economies. In the case of the US, international trends as well as internal dynamics have been leading towards a progressive institutionalization of a “new realist” economic approach, tying the economy to national security with a strong emphasis on national sovereignty, state action and the use of force.<sup>1</sup> With the second Trump administration taking office, the economic ideology has shifted decisively towards a mercantilist approach, aiming for geo-economic control and a positive trade balance, while neglecting the stabilizing function of long-term trade partnerships.

In the case of Canada and the EU, instead, the shaking of the international liberal order has led the regions to try and expand their international reach by boosting trade relations with third parties, even beyond the US. For instance, the EU is certainly pursuing its own economic and strategic interests within the international arena. Yet, its approach is led by “principled pragmatism”. In other words, while pursuing its own goals, the EU is still attempting to spread and advocate for its traditional model of social market economy, whereby the free market is combined with elements of social policies and fair competition, including also environmental and sustainability considerations.<sup>2</sup> In the case of Canada, instead, its strong ties with the US have certainly limited its capacity to exert ambitious foreign and international economic policies. Yet, beyond the US, Canada has attempted to establish closer ties with the EU, for instance through the Comprehensive Economic Trade Agreement (CETA) signed with the EU in 2016.<sup>3</sup> Differently from Canada, which is part of the 2020 United States-Mexico-Canada Agreement (USMCA)<sup>4</sup> and before that, of the North America Free Trade Agreement (NAFTA), there is no formal agreement between the EU and the US despite the two being each other’s largest trading partners. Negotiations on a comprehensive Transatlantic Trade and Investment Partnership (TTIP) were launched in 2013 but practically failed in 2016, mainly due to heavy opposition from some political parties and the civil society to the planned mutual recognition of product standards and the role of international

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<sup>1</sup> Smith, M. (2011). European responses to US diplomacy: ‘Special relationships’, transatlantic governance and world order. *The Hague Journal of Diplomacy*, 6(3-4), 299-317.

<sup>2</sup> Damen M. (2022). [Values on the retreat? The role of values in the EU’s external policies](#). European Parliament

<sup>3</sup> Ettinger A. (2023). [Liberal Order in Crisis: Does Canada Still Have Global Interests?](#)

<sup>4</sup> [United States-Mexico-Canada Agreement](#)

dispute settlement bodies.<sup>5</sup> Until recently, the EU has shared with the US similar economic targets, values and goals, which are the basis for an effective economic cooperation on the one hand, but also for fair competition, on the other.<sup>6</sup> The disruptive ideological shifts witnessed with the Trump administration are questioning these similarities, leaving the future of the EU-US trade relations very much in doubt. Against this backdrop, this paper intends to map the evolution of economic policies between the EU and the two countries on the other side of the Atlantic during the above-mentioned crises, and to trace developments or possible setbacks in their trade relations.

## 1. EU-North America Trade relations in the context of the 2008 financial crisis

After unprecedented economic growth in the roaring 1990s driven by growing international trade, the global financial crisis of 2007–2008 was the most severe downturn since the Great Depression of the 1930s and World War II. The crisis, caused by the bursting of a housing bubble and the growth of mortgage defaults originated in the US, paved the way for the worst recession the world has witnessed for over six decades.<sup>7</sup> At the time, European and North American banks, finding themselves on the brink of financial turmoil, started to recall or stop their international loans, causing severe financial problems and debt crises.<sup>8</sup> Canadian banks, instead, remained relatively unharmed as Canada's banking system was strictly controlled and regulated.<sup>9</sup> Yet, because of the financial crisis, international trade credits also dried up, bringing exports and imports to a standstill in many sectors and causing the "Great Trade Collapse". World trade contracted by 17.5% between October 2008 and January 2009.<sup>10</sup> The broader economic downturn that involved all regions of the globe resulted in the rise of protectionist measures.<sup>11</sup> For instance, to respond to the crisis, by autumn 2008, many collapsed financial institutions across North America and Europe were nationalized or were offered state support.<sup>12</sup> This was the first step of the general protectionist wave that affected many countries, the US in particular. At the time, President George W. Bush, who was a convinced neo-liberal supporter, decided to push forward packages for economic stimulus, such as the Troubled Asset Relief Program (TARP), to help stabilize the US financial system.<sup>13</sup> Then, in 2009, the new Obama Administration enacted the American Recovery and Reinvestment Act (ARRA) to arrest the economic downturn. Since then, US governments have been enacting a series of measures – in the form of tax cuts for businesses, state aid or extensions of unemployment benefits – to stimulate the economy, resulting however in growing public debt.<sup>14</sup>

<sup>5</sup> Van Ham, P. (2016). [TTIP is dead, long live transatlantic trade](#). Clingendael.

<sup>6</sup> Horváth, K. D. L. Z. M. (2024). The EU-US Trade Relations Changes During the COVID-19. *Central and Eastern Europe in the Changing Business Environment*.

<sup>7</sup> Chen W. et al. (2019). [The Global Economic Recovery 10 Years After the 2008 Financial Crisis](#)

Boughton J.M. (2012). [World Without Walls: The Global Economy and the IMF, 1990–1999](#)

Poli, E. (2015). Antitrust institutions and policies in the globalising economy. Springer.

<sup>8</sup> Popov A., (2012) [The impact of sovereign debt exposure on bank lending: Evidence from the European debt crisis](#), European Central Bank

<sup>9</sup> Bordo M., Redish A., Rockoff H. (2011). [Why Canada Didn't Have a Banking Crisis in 2008](#)

<sup>10</sup> Gregory R., Henn C., McDonald B., Saito M., (2010). "Trade And The Crisis: Protect Or Recover," *Journal of International Commerce, Economics and Policy (JICEP)*, World Scientific Publishing Co. Pte. Ltd., vol. 1(02), pages 165-181.

Helleiner, E. (2011). Understanding the 2007–2008 global financial crisis: Lessons for scholars of international political economy. *Annual review of political science*, 14(1), 67-87.

Shelbourne R. (2010). [The Global Financial Crisis and Its Impact on Trade, the World and the European emerging Economies](#), UN Working Paper

<sup>11</sup> Henn, C., McDonald B. J. (2010) [After the Crisis: Avoiding Protectionism: So far the world has resisted widespread resort to trade measures, but the hardest part may be yet to come](#), IMF, Volume 47: Issue 001

<sup>12</sup> Barrell, R., & Davis, E. P. (2008). The evolution of the financial crisis of 2007–8. *National Institute economic review*, 206, 5-14.

<sup>13</sup> [Troubled Asset Relief Program \(TARP\) | U.S. Department of the Treasury](#)

<sup>14</sup> [Economic Downturn and Legacy of Bush Policies Continue to Drive Large Deficits | Center on Budget and Policy Priorities](#)

In Canada, while the consequences of the crisis were less harsh on the financial sector, as the country applied stricter financial regulation to control its market, the impact of the credit crunch on the real economy was still profound. Canada indeed experienced a loss in international trade and had to develop policies to stimulate economic development such as the Economic Action Plan (EAP). Launched in 2009, the EAP was a two-year spending measure to overcome an economic recession by investing in infrastructures and boosting Canada's green agenda. Indeed, unlike in the US, the global crisis did not undermine Canada's focus on green policies and investments.<sup>15</sup> Moreover, in the aftermath of the EU-Canada Summit in 2008, negotiations on the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union began in 2009.

When it comes to the EU, the consequences of the credit crunch led to a debt crisis in Europe with southern European member countries such as Greece, Portugal, Cyprus, but also Ireland, being the most affected and unable to repay or refinance their government debt or bail out their banks. This led to a crisis of the Eurozone, which was eventually resolved thanks to the financial guarantees of European countries, which feared the collapse of the euro and a financial contagion, and to the International Monetary Fund (IMF).<sup>16</sup> Yet, to overcome the fear of higher indebtedness, the EU started to cut expenses and to apply austerity policies.<sup>17</sup> Such limitations, however, marginally affected the trade balance with the US and Canada. While with the US the contractions in trade volumes experienced between 2007 and 2009 were overcome in 2013, trade relations with Canada remained stable.

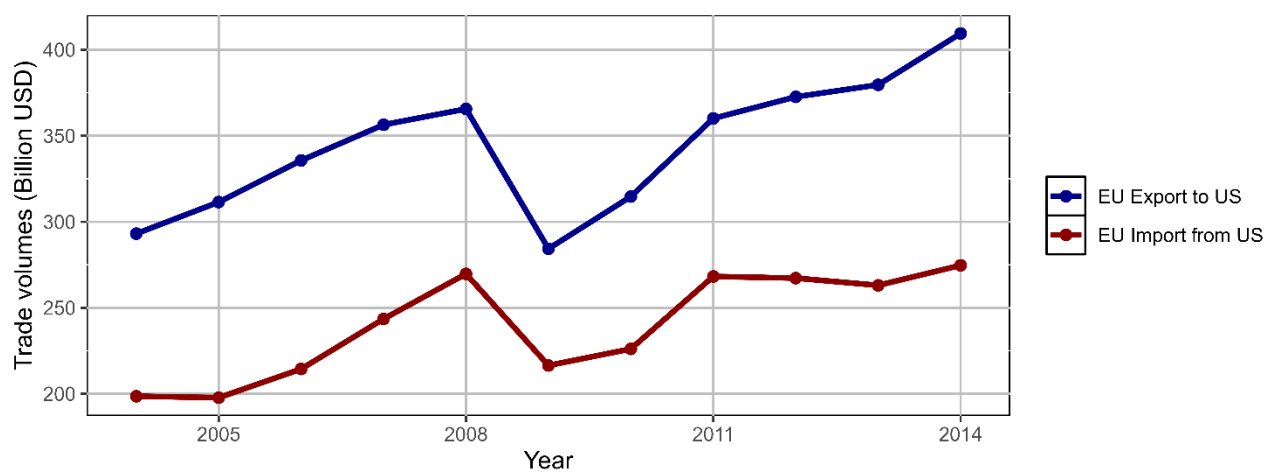
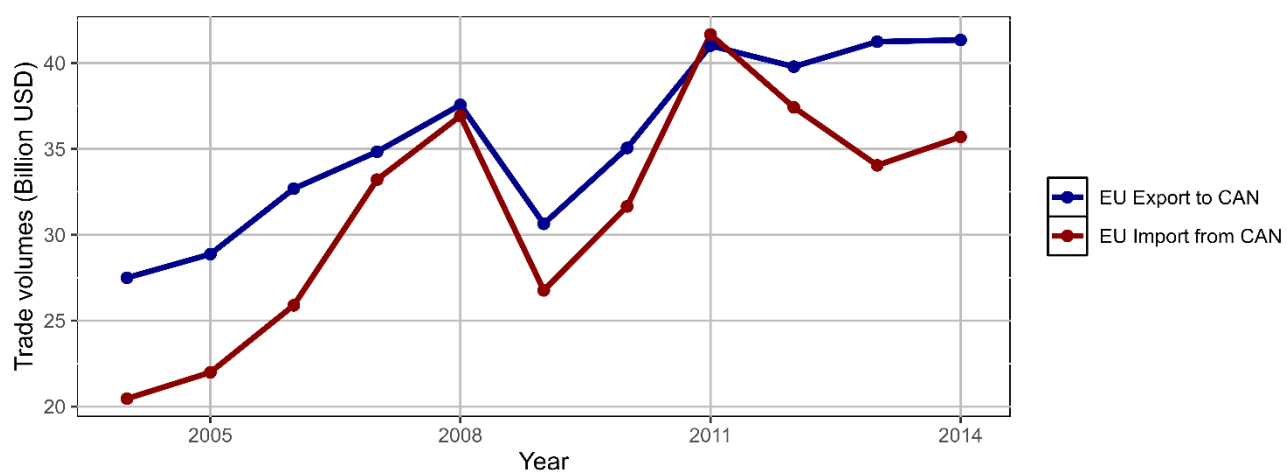
Overall, the EU as a bloc was consistently a net exporter of goods to the US during this period (see Figure 1). This also remained unchanged in the course of the financial crisis, as exports and imports contracted to a similar degree. However, from the beginning of the 2010s onwards, merchandise trade witnessed a significant shift in product composition (see Figure 3). EU trade with the US traditionally shows a high degree of intra-industrial trade compared to trade with other world regions, due to the similarly high levels of economic development and the strong interconnections through joint industrial supply chains. Yet, the share of primary products in EU imports from the US started to show strong growth. While this was initially partly motivated by the particularly negative impact of the economic crisis on production and trade of advanced products, the share remained at the higher level in the aftermath of the crisis. This was mostly due to the surge in fossil resource exports by North America, especially Liquefied Natural Gas (LNG). Trade with Canada evolved in a slightly different pattern over this period. The EU was also a net exporter to Canada in almost every year, but trade was overall significantly more balanced than with the US. By contrast, the EU was consistently a clear net importer of primary materials from Canada, a consequence of Canada's traditionally strong energy sector.

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<sup>15</sup> [Housing, Infrastructure and Communities Canada - Canada's Economic Action Plan](#)

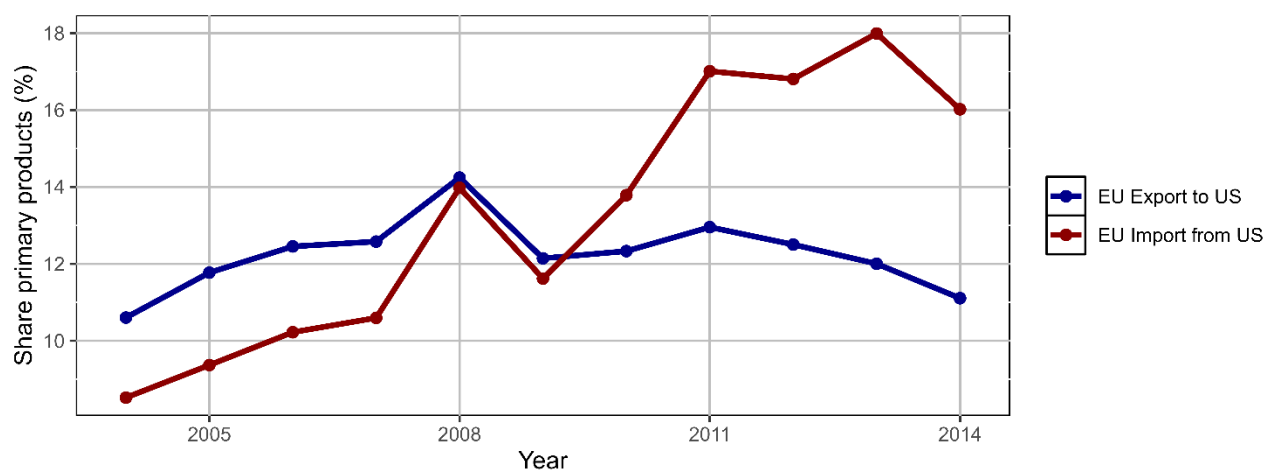
<sup>16</sup> Daniela Filip D., Masuch K., Setzer R., Valenta V., (2024). [Greece, Ireland, Portugal and Cyprus: Crisis and Recovery](#), European Central Bank

<sup>17</sup> Poli, E. (2021). European Economic Governance and Rising Sovereignism. In: De Souza Guilherme, B., Ghymers, C., Griffith-Jones, S., Ribeiro Hoffmann, A. (eds) *Financial Crisis Management and Democracy*. Springer, Cham.

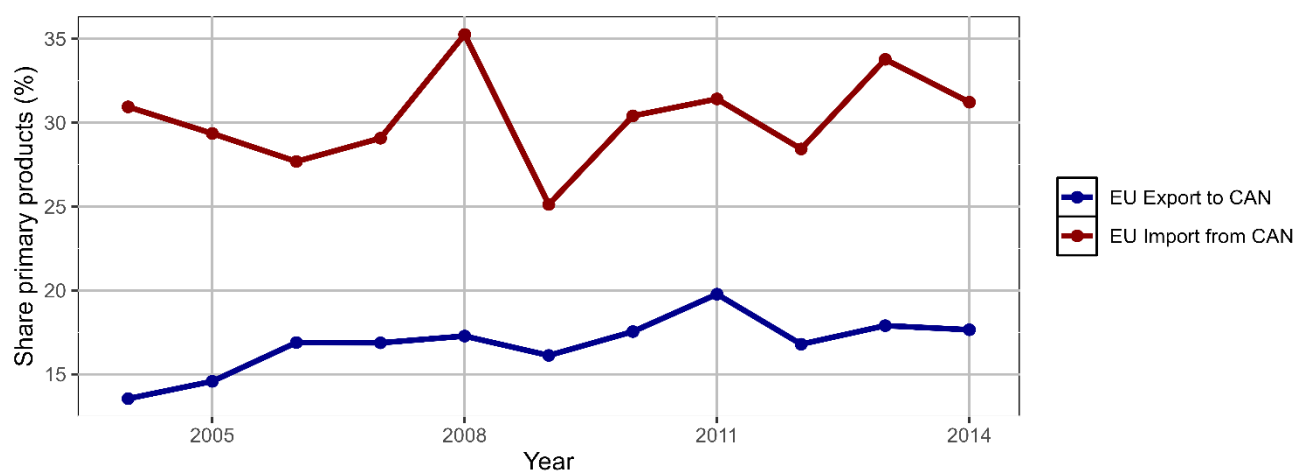
**Figure 1: EU trade with USA 2004-2014 in Billion USD**Source: UN Comtrade (2025)<sup>18</sup>**Figure 2: EU trade with Canada 2004-2014 in Billion USD**

Source: UN Comtrade

<sup>18</sup> UN Comtrade (2025). [UN Comtrade Database](#).

**Figure 3: Share of primary products<sup>19</sup> in EU trade with USA 2004-2014**

Source: UN Comtrade (2025); own calculations

**Figure 4: Share of primary products in EU trade with Canada 2004-2014**

Source: UN Comtrade (2025); own calculations

## 2. EU-North America Trade relations in the context of the Covid19 Pandemic

In 2010, trade relations between the EU and North America started to recover. Yet, Brexit and Trump's first administration (2017-2021) certainly challenged the stability of the global market, at least from a political point of view. Indeed, Brexit and the lack of the UK's support towards an US–EU trade agreement facilitated Trump's decision to stop the Transatlantic Trade and Investment Partnership (TTIP) negotiations in 2017. The TTIP, which had been under negotiation since 2013, aimed at developing a free trade area between the two sides of the Atlantic that would have no tariffs, subsidies or non-tariff barriers.<sup>20</sup> Tense relations with the EU, increasingly perceived by the US as a competitor rather than a partner, culminated in 2018, when the US

<sup>19</sup> Primary products are delineated by the following codes in the SITC product classification scheme: Food and live animals (0), Beverages and tobacco (1), Crude materials, inedible, except fuels (2), Mineral fuels, lubricants and related materials (3), Animal and vegetable oils, fats and waxes (4).

<sup>20</sup> Steinberg F. (2018). [Juncker and Trump end the trade war and revive a watered-down version of TTIP](#)

imposed tariffs of 25% and 10% on European steel and aluminium, respectively, and threatened the introduction of tariffs on cars and mechanical components. This led to the EU retaliating by introducing tariffs on products such as Levi's jeans, Harley-Davidson motorcycles, bourbon or peanut butter. Although a political agreement with President Trump was reached already in July 2018 by former Commission President Juncker, it was only in 2021, under the Biden administration, that these tariffs were suspended.<sup>21</sup> At the time, however, the COVID-19 pandemic had already introduced a new and unexpected layer of complexity to the multilateral trade system, halting economic growth and reducing trade globally. The EU and the United States were no exception.

Yet, the election of US President Joe Biden in 2020 resulted in a change of path, with trade between the US and the EU growing by 18% in 2021, after contracting by 24% the years before.<sup>22</sup> Such a positive trend is certainly linked to Biden decision to reinforce external relations with key allies, the EU in particular, while keeping a trade war with regional powers such as China. In this respect, not only the above-mentioned tariffs were suspended in 2021, but the Trade and Technology Council (TTC) was launched as a key tool for the United States and the European Union to coordinate approaches to key global trade, technology, and innovation challenges. In particular, the TTC aimed to strengthen transatlantic cooperation against global challenges and other major concerns presented by China's state-led economic model.<sup>23</sup> At the same time, however, economic isolationism introduced by Trump and induced also by the Pandemic was not completely overcome by Biden. While Biden re-entered the Paris Agreement on climate change and revoked the withdrawal from the World Health Organization, showing respect for multilateral institutions, on economic policies he remained tied to Trump's legacy. Examples of such a trend are the Executive Order issued by Biden in 2021, which extended and maximized the "Buy American" principle within the Buy American Act. According to the law, agencies of the federal government had to prefer US products and services over foreign ones. Moreover, besides the national investment plans to deal with the pandemic such as the American Rescue Plan Act of 2021 or the Next Generation EU or the Canadian Economic Response Plans, which were common to all national economies, the US's continued economic isolationism became evident with the Inflation Reduction Act (IRA) enforced in 2022, which provided economic and tax incentives to a number of key industrial sectors.<sup>24</sup>

Against this backdrop, while the EU, at least in principle, attempted to remain closely aligned with the liberal model of multilateral trade and the World Trade Organisation's rules, it certainly revised its liberal position to introduce the idea of an 'Open Strategic Autonomy'.<sup>25</sup> According to the Open Strategic Autonomy approach, the EU needs to continue supporting open and rules-based global trade but, within the multilateral system, it will work to defend its strategic interests to increase its economic resilience and tackle unfair trade practices by third countries.<sup>26</sup>

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<sup>21</sup> European Parliament (2025) [EU-US trade talks on an agreement on industrial goods and conformity assessment](#) In "A Stronger Europe in the World"

Elryah, Y. (2019). Arising of Trade Disputes Among the G20: Evaluation of US-China Trade Relations in the Context of World Trading System. Management and Economics Research Journal, 5.

Horváth, K. D. L. Z. M. (2024). The EU-US Trade Relations Changes During the COVID-19. *Central and Eastern Europe in the Changing Business Environment*.

<sup>22</sup> Congressional Research Service, (2022). [U.S.-EU Trade Relations](#)

<sup>23</sup> European Commission (2024). [EU trade relations with the United States. Facts, figures and latest developments](#).

<sup>24</sup> Ligustro A. (2024) [Biden Foreign Trade Policy: A New Deal for Protectionism](#)

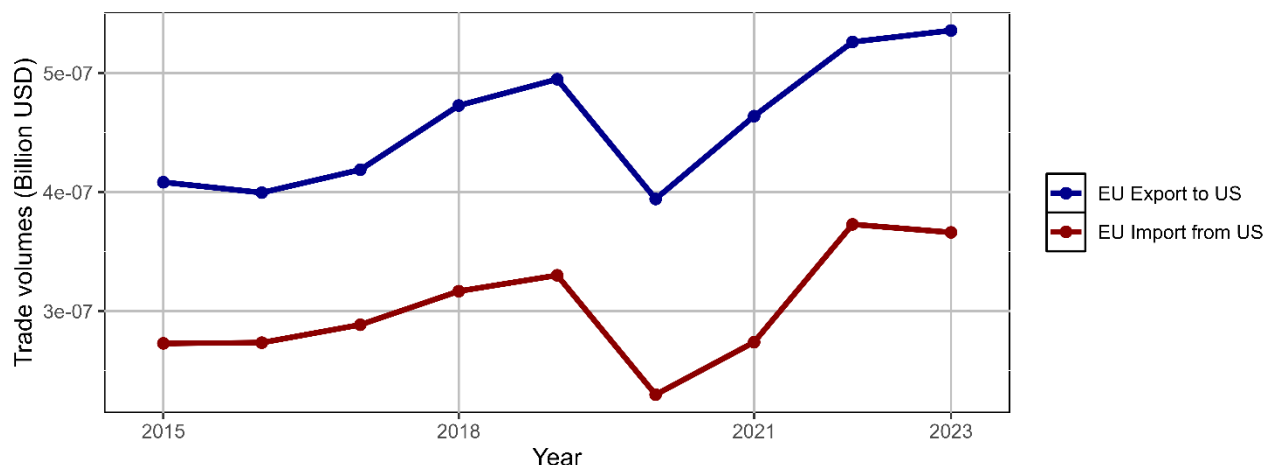
<sup>25</sup> Schmucker, C. (2022). *The Effects of the COVID-19 Pandemic on US and European Commitment to the Multilateral Economic Order*. Istituto Affari Internazionali (IAI).

<sup>26</sup> Wolf A. (2025). An Economic Security Doctrine For Europe. Managing External Economic Threats in Times of Fragmentation

At the same time, Canada did not want to be caught by US protectionism and attempted to expand its reach. For instance, through an ad hoc Strategy, Canada attempted to increase its presence in the Indo Pacific region, which by 2040 will account for more than half of the global economy and more than twice the share of the United States.<sup>27</sup> At the same time, in the context of the pandemic and increasing US protectionism, the Comprehensive Economic Trade Agreement (CETA) with the EU favoured the continuation of normal trade relations between the two economies and played a critical role in strategic sectors such as pharmaceuticals, digital services, and technology.<sup>28</sup> Certainly, as in other countries, CoVID-19 affected trade between the EU and Canada. Yet, up to 2020, the EU was still Canada's second-biggest trading partner after the United States, while Canada was the 10th largest partner for the EU's exports of goods (1.7 %) and the 16th largest partner for the EU's imports of goods (1.2%).<sup>29</sup> Moreover, already in 2021, economic links outpaced the pre-pandemic levels, reinforcing the EU-Canada trade diplomacy and becoming a tool to address broader global challenges.<sup>30</sup> Indeed, CETA provided a framework for Canada and the EU to further commit to the fight against climate change and sustainability in line with the Paris Agreement by developing shared strategies for industrial decarbonization.<sup>31</sup> Such a commitment was also reaffirmed during the 18<sup>th</sup> EU-Canada Summit, which took place in 2021, where leaders discussed how to work together to end the CoVID-19 pandemic and pursue a sustainable, people-centred and inclusive economic recovery.<sup>32</sup>

Overall, the EU continued to be a net exporter in merchandise trade with North America in this period (see Figure 5). This role was also maintained during the CoVID-19 pandemic. At the same time, the share of primary products in EU imports from the region was further increasing. This was mostly due to a strong increase in the LNG export capacity of the US.<sup>33</sup> The EU could extend its role as an overall net exporter to Canada, especially during the CoVID pandemic (see Figure 6). At the same time, net trade in primary materials continued to show the opposite sign, with Canada even further raising its exports, considerably.

**Figure 5: EU trade with USA 2015-2023 in Billion USD**



Source: UN Comtrade (2025)

<sup>27</sup> Government of Canada, (2024). [Canada's Indo-Pacific Strategy](#)

<sup>28</sup> Government of Canada, (2022). [State of Trade 2022: The Benefits of Free Trade Agreements](#)

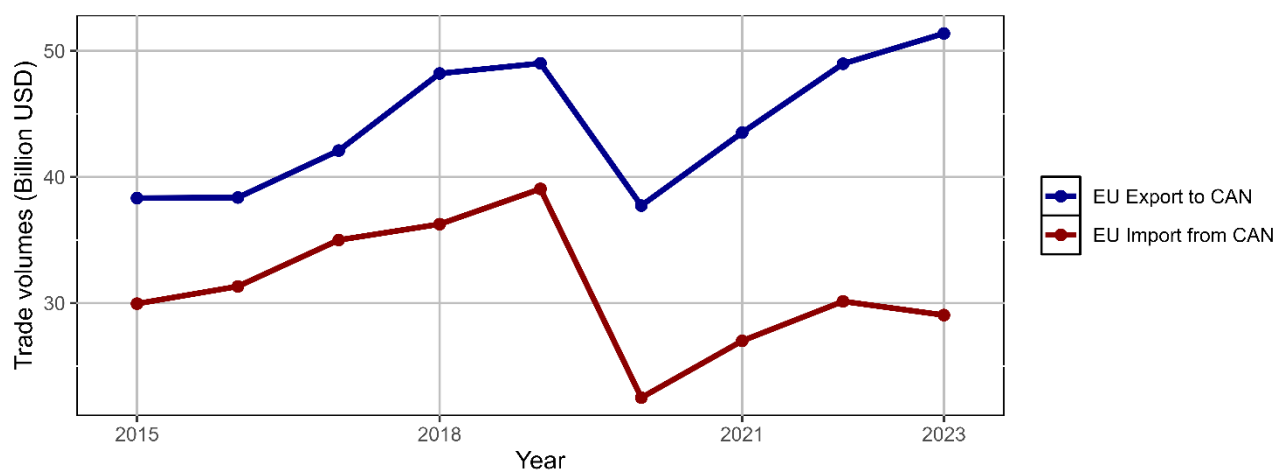
<sup>29</sup> Guo, R. (2021). Quantifying Canada-European Union Merchandise Trade Between 2005 and 2020-Has Canada Diversified its Export Trade?.

<sup>30</sup> Kutlina-Dimitrova, Z. (2023). CETA: Evolution of key economic indicators. *DG TRADE Chief Economist Note, 1*. See also: Lavallée, C. The European Union's two-fold multilateralism in crisis mode: Towards a global response to COVID-19. *International Journal (Toronto, Ont.)*.

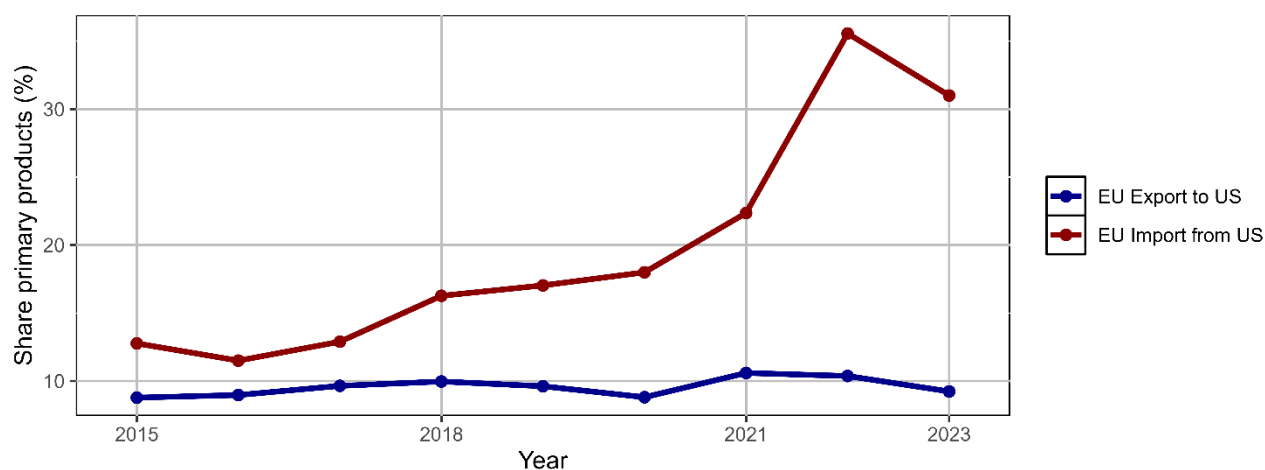
<sup>31</sup> [CETA: Taking Action for Trade and Climate - European Commission](#)

<sup>32</sup> [EU-Canada summit, Brussels, 14 June 2021 - Consilium](#)

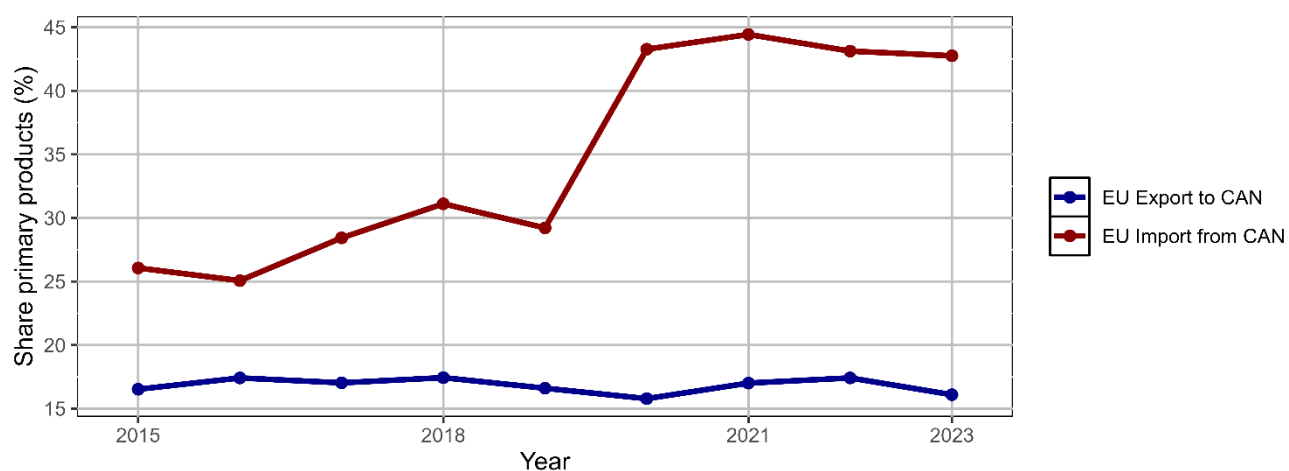
<sup>33</sup> FERC (2024). U.S. LNG export terminals – existing, approved not yet built, and proposed. Federal Energy Regulatory Commission.

**Figure 6: EU trade with Canada 2015-2023 in Billion USD**

Source: UN Comtrade (2025)

**Figure 7: Share of primary products in EU trade with USA 2015-2023**

Source: UN Comtrade (2025); own calculations.

**Figure 8: Share of primary products in EU trade with Canada 2015-2023**

Source: UN Comtrade (2025); own calculations.

### 3. EU-North American Trade Relations in the context of the war in Ukraine and an unsettled international arena

While global trade began to recover after the pandemic, Russia's unjustified invasion of Ukraine, which led to a war, exposed the global market to another round of crisis, mainly due to EU countries' dependency on Russian gas. This resulted in an unprecedented crisis of energy prices, especially for the EU, and contributed to increasing inflation and thus, as a monetary policy response, rising interest rates. At the time, while EU imports of energy products from Russia plummeted from over 40% in 2021 to about 8% in 2023,<sup>34</sup> the United States became one of the EU's top suppliers of natural gas, reaching around 19.4% of the EU market in 2023.<sup>35</sup> In 2023, the US rose to become the world's most important LNG exporter in view of massive LNG export growth of 12%.<sup>36</sup> Canadian exports of energy products to the EU increased by 30% too, passing from EUR 1.8 billion to EUR 2.3 billion in the same period.<sup>37</sup> Alongside energy, total trade between the EU and the US also increased. From 2023 to 2025, trade volumes between the EU and the US exceeded 1.5 trillion euro, with the US accounting for 16.7% of the EU's trade, making it the EU's largest trading partner.<sup>38</sup> Yet, the US trade deficit vis à vis the EU, whereby European exports were higher than imports from the US, reached 156 billion euro in 2023. This resulted in newly elected President Trump to threaten the introduction of new tariffs on European products. Indeed, with his slogan "Make America Great Again," newly elected President Donald Trump is not only aiming to win the trade war with China but also to reduce his country's negative trade balance, in particular with the EU. As highlighted by Mario Draghi during the Budapest summit, the EU is dependent on the US for digital and other strategic technologies, while the US remains the European export market of choice for more traditional industries. These are precisely the industries Trump wants to protect, eroding Europe's advantages.

Within the EU, a renovated protectionist approach by Trump, already reaffirmed with the recent introduction of tariffs on Canada, Mexico and China, would particularly impact Germany, which has the largest trade relationship with the US and a surplus of 79,6 billion euro, as well as France (12,6 billion euro) and Italy (41,74 billion euro).<sup>39</sup> This trend, however, should not come as a surprise. Since August 2022, President Biden's Inflation Reduction Act (IRA) has been providing substantial subsidies to green technologies produced in the US. Against this background, to protect European interests, EU Commission President Ursula von der Leyen has introduced, in the new legislative term, the position of a commissioner both responsible for trade policies and economic security. Commissioner Maroš Šefčovič will be in charge of drafting a new European Economic Security Doctrine based on the development of standards for key supply chains in cooperation with like-minded countries.<sup>40</sup>

Indeed, the aggressive economic policies advanced by Trump could result in stronger cooperation with Canada. To date, while the EU and Canada represent 20% of global GDP,<sup>41</sup> Canada itself cannot replace the US in European trade diplomacy. Yet, since the application of CETA in 2017, not only trade between the two sides of the Atlantic has increased by more than 65%, reaching a trade balance of 20 billion euro for the EU,

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<sup>34</sup> European Council (2023). [Where does the EU's gas come from?](#)

<sup>35</sup> European Council (2023). [Where does the EU's gas come from?](#)

<sup>36</sup> EIA (2024b). [Global trade in liquefied natural gas continued to grow in 2023](#). U.S. Energy Information Administration.

<sup>37</sup> Kutlina-Dimitrova, Z. (2023). CETA: Evolution of key economic indicators. *DG TRADE Chief Economist Note*, 1.

<sup>38</sup> European Council, (2023) [EU-US trade](#)

<sup>39</sup> Poli E., Vopel H. Wharem V. (2024). [Harris Versus Trump: US Presidential Election and its Implications for the European Union](#)

<sup>40</sup> Wolf A. (2025) An Economic Security Doctrine For Europe. Managing External Economic Threats in Times of Fragmentation

<sup>41</sup> European Council (2025). [EU-Canada trade](#)

but it is becoming a clear sign that a rule-based multilateral trading system is still possible.<sup>42</sup> At the same time, Canada is now confronted with Trump's executive order to apply 25% additional tariffs on all Canadian imports, excluding energy, which will be tariffed at 10% less.<sup>43</sup> The Canadian government responded to this decision with the introduction of 25% tariffs on \$155 billion of American goods, including food supplies and mechanical components, and possibly introducing nontariff measures on energy supplies. According to Trump, the decision to impose tariffs is not only in the interest of US citizens but it is also legal under American law and World Trade Organization rules. Indeed, to bypass any possible check, the President declared that the illicit flow of drugs into the US has become an emergency and, among the different rules, in particular applied the US International Emergency Economic Powers Act (IEEPA), which allows for the immediate imposition of sanctions.<sup>44</sup> Certainly President Trump's decision is in violation of the USMCA, which the US is threatening to withdraw from anyway, and it will affect the US economy. Indeed, when it comes to Canada, the US trade deficit has a value of less than 100 billion USD, and it is mainly related to energy products. Yet, any Canadian effort to convince the US that higher tariffs will drive up the cost of goods, affecting citizens on both sides, has not been successful.<sup>45</sup> In this respect, while the current US administration seems to challenge the global trade system and rules, it is up to Canada and the EU, among other like-minded countries, to find solutions to this challenge and ways to build stronger alliances, while keeping the dialogue open with the US.

## Conclusion

This paper provides a mapping of trade diplomacy between the EU and North America in the context of major international crises and shifts within national politics. In the last 20 years, the economic approaches adopted by the three actors to face external crises and internal critical dynamics have been quite different. In responding to international economic downturns and rising security needs, the US has progressively adopted a more protectionist approach, in line with a "realist" view of economic policy closely tied to national security concerns. On the contrary, the EU and Canada have maintained a more liberal approach to multilateral trade. Yet, while remaining a supporter of the multilateral liberal order, the EU has progressively adopted strategic measures to boost its economic resilience and define its own interests. The introduction of the concept of "Open Strategic Autonomy" in 2021 is in line with the idea of principled pragmatism. To date, under the current Trump administration, the Trade and Technology Council (TTC) might not be enough to reinforce cooperation between the two sides of the Atlantic. Yet, it is a good platform to continue a fruitful dialogue. At the same time, the signing of the Comprehensive Economic and Trade Agreement (CETA) in 2016 between the EU and Canada has expanded trade relations between the two actors, deepening cooperation also in strategic areas such as climate change and sustainable development. In conclusion, the future of EU-North American trade diplomacy will not only depend on the consequences of the possible external shocks, but also on the capacity of the economic powers involved to balance their competing interests and better respond to global challenges.

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<sup>42</sup> European Commission (2024) [Eu-Canada Trade](#)

<sup>43</sup> White House (2025). [Imposing Duties to address the flow of illicit drugs across our Northern Border](#).

<sup>44</sup> Tasha Kheiriddin T. (2025). [Trump ignites trade war. Will there be a legal response?](#)

<sup>45</sup> Gugliotta A. (2025) [Exclusive New Poll: US-Canada – Tariff-ied of What's to Come?](#)