Role of trade in strengthening the EU's economic security

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The European Parliament adopted by 415 votes to 105, with 142 abstentions, a resolution on the role of trade in strengthening the EU’s economic security.

Evolving economic security risk landscape

Parliament stressed that further steps are necessary to **operationalise the EU’s economic security objectives**, including an action plan, a roadmap and concrete targets on de-risking supply chains in strategic sectors. It underlined that a genuine European economic security strategy must be based on a **strategic orientation**, integrating and strategically aligning policies in the fields of climate and energy, trade and competition, digital market regulation, industrial policy, research and innovation, foreign investment and the role of the euro.

The EU is one of the largest global trading powers, deriving more than 20 % of its GDP from external trade. Its economy relies heavily on international trade and investment. However, its deep integration into global markets makes it more vulnerable to disruptions and pressures from third countries. This heavy dependence on external actors for essential goods, services, and infrastructure poses a significant risk that requires urgent action.

Parliament expressed its deep concern about the **systemic distortions in the Chinese market** that fuel overcapacity, including extensive state-led support mechanisms, strategic ‘Buy China’ procurement policies, preferential treatment of domestic companies, and a lack of reciprocity. It reaffirmed that fair trade is impossible in a system where one country dominates and floods the global market.

Prevention through diversification, innovation and competitiveness

Parliament stressed that economic security should not be interpreted as economic isolation and reaffirmed that openness to sustainable trade and investment, combined with measures to combat unfair competition and diversify partners, suppliers, energy imports and transport routes, is one of the main ways for the EU to reduce its structural vulnerability to external shocks, disruptions in critical sectors and coercive practices.

Members insisted that the opening of the EU market must be based on the **principles of reciprocity, reliability, and non-coercion**, and that it cannot be unconditional when fundamental security interests are at stake. **The EU's considerable economic strengths** (a single market worth EUR 18 trillion and its 450 million consumers, a leading position in high-tech manufacturing and services, rigorous standards, and the quality of its educational institutions and research programmes) should be leveraged in the face of external coercion.

The resolution called for:

- pursue **decarbonisation** policies aimed at achieving net-zero emissions and ending fossil fuel imports;

- substantially increase investments **in electrification and the circular economy** to reduce the EU's strategic dependencies on external actors;

- adopt ambitious measures to **stimulate demand for strategic low-carbon European products** essential to the energy transition, such as green steel, batteries, renewable energy and semiconductors;

- remove barriers to a truly harmonised market for goods, services and capital;

- reduce the EU's excessive dependence on third countries for the supply of **critical raw materials**;

- ensure that **the social impact** of economic security measures is systematically assessed and that these measures do not disproportionately affect the most vulnerable people;

- **finalise ongoing negotiations** and pursue a strategic and ambitious approach to trade agreements and sectoral partnerships with reliable partners (Mercosur, India, ASEAN, Australia, United Kingdom), as a central axis of its diversification strategy.

Parliament noted that the EU currently depends on **China** for around 98% of its supply of rare earths and that over 60% of global lithium refining capacity and over 85% of rare earth processing capacity are concentrated in a single third country. It stressed the importance of agreements concluded with countries that share the same values in this area.

Monitoring, managing and mitigating identified risks

The resolution underlined that a comprehensive and integrated economic security approach should be aimed not only at reducing external dependencies, but also at building strategic autonomy in critical raw materials, technology, energy, transport, finance and digital infrastructure. Parliament called on the Commission to propose more measures to prevent or limit economic security risks and stressed the need to **develop effective tools** aimed at the early monitoring, identification and assessment of economic security risks along value chains in high-risk areas. The Commission is called on to establish an annual economic security scoreboard.

Instruments, implementation and deterrence

Parliament urged the Commission to **take swift action**, establish clear activation criteria, and outline the foreseeable consequences once risks and threats to economic security or unfair practices are identified. The Commission is called upon to introduce higher **anti-dumping duties** to combat trade diversion and dumping practices in the EU market. Members also insisted that **the anti-coercion instrument** should be activated in the presence of acts of coercion or threats of coercion, that all avenues for de-escalation should be explored, and that countermeasures should only be adopted as a last resort.

The resolution stressed that EU-funded programmes in strategically sensitive sectors should be designed and implemented to primarily benefit investments that strengthen European industrial capacity, technological development and value creation in the EU. There is also a need for measures **incentivising manufacturing** in the EU, in order to make the EU more indispensable in critical supply chains and chokepoints.