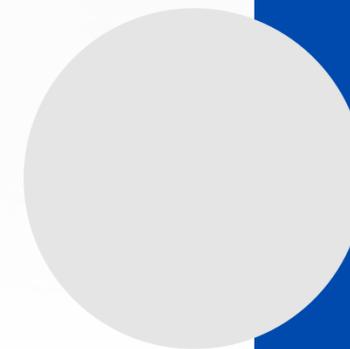
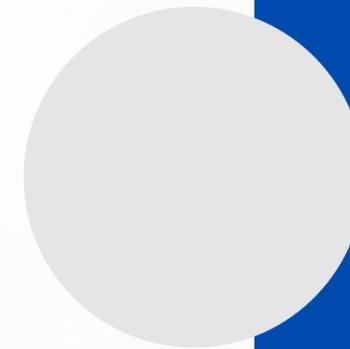
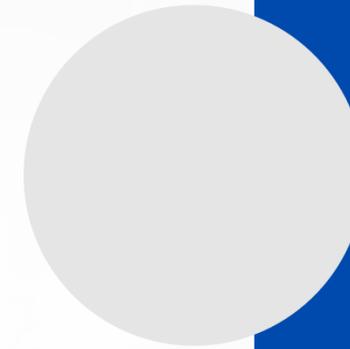


# SHOULD THE EU BECOME MORE PROTECTIONIST ?

Jaëlle TEDONGMOUO - Jules POTTIER - Noé MATAT

# SUMMARY

- Definition and economic concept,
- The Current Trade Model of the European Union,
- Arguments in Favor of Greater Protectionism,
- Arguments against protectionism,
- Case of the U.S. Inflation Reduction Act,
- Lessons from the COVID-19 pandemic,
- Impact of protectionism.



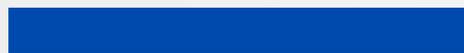
# WHAT IS PROTECTIONISM ?

Protectionism is an economic policy designed to protect a country's domestic industries from foreign competition by imposing trade barriers such as tariffs, import quotas, subsidies, or strict regulations. Its main goal is to support local production, safeguard jobs, and reduce dependence on foreign markets, often justified by the need to defend strategic sectors, prevent unfair trade practices, or maintain national economic sovereignty.



# THE EU TRADE MODEL

- One of the world's most open economies (15% of global trade)
- Based on:
  1. Single Market
  2. Common External Tariff
  3. Global Trade Agreements (CETA, Japan, Mercosur)



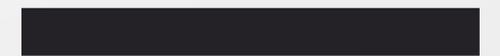
# WHY THE EU MIGHT NEED PROTECTIONISM

## 1. Protect Strategic Industries

- Chips, defense, energy
- Example: European Chips Act (€43B)

## 2. Preserve Jobs and Competitiveness

- Prevent industrial decline (steel, textile, auto)



# Environmental and Strategic Goals

## 3. Support the Green Transition

- Local production = fewer emissions
- Carbon Border Adjustment Mechanism (CBAM)

## 4. Build Strategic Autonomy

- “Open Strategic Autonomy” (von der Leyen)
- Reduce dependency on the US & China



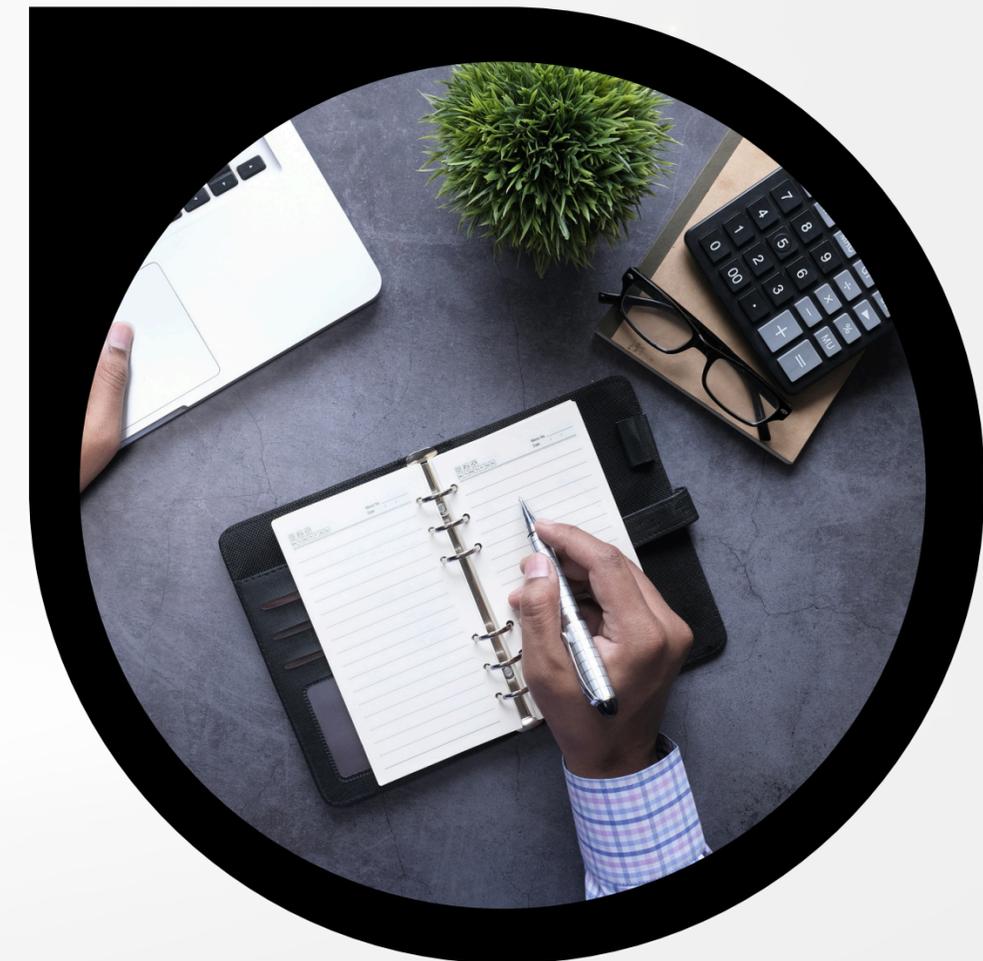
# THE RISKS OF PROTECTIONISM

## Bullets:

- Higher prices for consumers (less competition)
- Retaliation from trade partners (China, US)
- Weakens multilateralism (goes against EU values)
- Reduces innovation and productivity long term

## Example:

→ Chinese retaliation threats after EU's EV investigation



# CASE STUDY – THE INFLATION REDUCTION ACT (USA)



- \$370B in subsidies for green tech
- “Made in the USA” condition
- Impacts: European firms relocating (VW, Northvolt, Siemens)
- EU response: Green Deal Industrial Plan, Net-Zero Industry Act



# LESSONS FROM THE PANDEMIC

- Europe's dependency revealed (masks, vaccines, medical goods)
- Export bans even inside the EU
- Since then: relocation + supplier diversification
- Example of success: joint vaccine purchases



# CONCLUSION: TOWARD “OPEN STRATEGIC AUTONOMY”

**Short term: protectionism = stability & jobs**  
**Long term: may reduce growth & innovation**  
**EU should stay open but protect key sectors**



A top-down view of a desk with various items: a white cup of coffee, a silver laptop, a pen, a pair of glasses, and a notebook. The background is a light, neutral color.

**THANK YOU**