

Trade Policy

Dutch PM to Address Trade Tensions During White House Visit (Corrected)

BNA Snapshot

- Netherlands taking more prominent role in E.U.-U.S. relations, analysts say
- Defense spending, Chinese intellectual property violations likely to be discussed



By Dave Sebastian

Trade tensions between the U.S. and European Union will be high on the agenda when the Dutch prime minister meets President Donald Trump July 2, sources familiar with the talks told Bloomberg Law.

“Trade will be first and foremost” for Prime Minister Mark Rutte, a U.S. industry source told Bloomberg Law.

“The Dutch prime minister will walk through the mind of the president on job creation Dutch investment companies have created,” he said.

Rutte and Trump, apart from attempting to ease the trade disputes, might find common ground in addressing Chinese intellectual property violations, according to one of the sources, who requested anonymity.

The meeting, which will take place nine days before the July 11-12 NATO summit, also will address investment, defense, and security issues, according to a June 18 White House statement. Dutch Minister of Foreign Trade and Development Cooperation Sigrid Kaag will accompany the prime minister during his Washington visit.

More Prominent Role

The Netherlands is looking to take a more prominent role in representing EU trade interests, particularly as relations between Germany and the U.S. have become fraught in recent months, analysts told Bloomberg Law.

Germany had been at the forefront of trade talks on the EU's behalf with the U.S., Jacob Kirkegaard, a European economics researcher at the Peterson Institute for International Economics, told Bloomberg Law June 27. It is unlikely, however, that Rutte will succeed in reversing Trump's tariff approach, Kirkegaard said.

The U.S. imposed 25 percent tariffs on steel and 10 percent on aluminum imports from Canada, Mexico, and the EU on May 31. The EU later reciprocated with a 25 percent duty on 2.8 billion euros (\$3.2 billion) worth of U.S. products. Trump threatened to fight back with a 20 percent tariff on all EU-assembled cars.

Rutte's visit is “a matter of sequencing,” as the country's growing negotiating role could be Rutte's springboard for the 2019 European Commission or European Council elections, where he is seen as a potential strong candidate, Hamilton said.

“He's a leading center-liberal figure,” Hamilton said.

U.S. investments in the Netherlands would be in danger should a trade war between the U.S. and the EU flare, as the Netherlands is among the largest recipients of U.S. foreign direct investment, Daniel Hamilton, who studies the EU at the

Center for Transatlantic Relations, told Bloomberg Law June 28.

The “Dutch tend to support a level playing field in trade matters,” and U.S. companies have filed few complaints on trade with the Netherlands, according to the International Trade Administration.

However, copyright enforcement and regulations that impede U.S. exports of soybeans and wood pellets are among the trade barriers imposed by the Netherlands, according to the U.S. trade representative's 2018 National Trade Estimate Report.

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