

## An icy awakening

Since the US presidential election and the start of the new Trump administration, a shift is underway that appears to be reshaping not only domestic policy but also, perhaps even more so, the foreign policy largely established since the end of the Second World War. It is probably too early to tell what is rhetoric and what is real politics, but one thing is clear: Europe is now largely responsible for its own security without the long-held US commitment that Europe took for granted for 80 years. What seems clear is that the world, as it now appears to be, requires completely different commitments, different budgets, and perhaps even different politicians than we have been used to.

Some compare current developments to the 1945 Yalta Conference, when Churchill, Roosevelt and Stalin met. That meeting set the stage for democratic elections in Germany and the liberated Central European countries after the war, and for some, the victorious powers divided not only Europe but also other parts of the world. The analogy today is that Trump, Putin, and Xi are shaping the future and the destiny of Ukraine.



A blistering cold reality

Europe and its leaders are hardly mentioned in these discussions, as if they have no real power to determine their own destiny. I don't think that this is really the case, although there is a clear shift of power, and even more so in interest, among these superpowers. I find a couple of things very interesting. One is the situation within the EU and what it has led to: the lack of proper focus on investments in higher education, research, and development, production capacity for the green transition, AI, and so on, as highlighted in Mario Draghi's September 2024 report. The EU's dependence on, for example, China is clear to each and every one of us, as pointed out in the report.

Another question is, with the USA clearly withdrawing from Europe and not only starting trade wars with Europe but also stoking political conflicts with old allies, how will China position itself? Is it time for

Europe to approach China in the way several European leaders have already done? Will China, which I believe will clearly increase incentives for Chinese companies to increase investments in Europe—especially in the automotive, battery technology, energy solutions, and semiconductor development industries—also see a new wave of foreign companies re-investing in China, given the relative stability compared to the other side of the Atlantic?

The world will be reshaped in the next five years in ways that are likely to be more dramatic than we can imagine. Sacred cows will be slaughtered, and political decisions tougher than ever must be made. Europe must face facts, recognize its failure in several areas, and resume collaborations that, for unclear reasons, we have repeatedly chosen to avoid. We simply cannot afford to continue living on old merits; we must quickly begin collaborations that move us forward. China is likely to be more welcoming than the US.