

EU wants to break up with US tech

Brussels plans sweeping push to cut reliance on US tech giants and foreign chipmakers

● EU to unveil major package covering chips, cloud computing and artificial intelligence.

● Governments may be required to assess "sovereignty risks" and prioritise European alternatives.

● Move aims to reduce dependence on US digital firms and foreign semiconductor suppliers amid security concerns.

AFP | Brussels, Belgium

Wary of being vulnerable to the whims of foreign governments, the European Union is preparing far-reaching new moves to ditch American digital companies and Chinese chips in favour of European alternatives.

The EU's technological sovereignty package is among many measures taken by Brussels to slash dependence on foreign firms and boost local manufacturing -- but risks opening up a new front in transatlantic tensions.

The hotly awaited package of new rules on chips, cloud computing and AI will be presented on Wednesday as part of the EU's effort to "reclaim its place in the global race for geo-economic power", a draft strategy document seen by AFP said.



Of particular concern is how much the European Union relies on US cloud providers, which account for around 70 percent of Europe's market.

Since President Donald Trump returned to the White House last year, Europeans worry that critical digital infrastructure could be brought to a halt by an American "kill switch" if tensions ever reached fever pitch.

Top EU officials don't directly name their target as the United States, but American tech dominates, from cloud computing to social media to e-commerce. "We need to develop our own capacities. We cannot allow someone trying to influence our

own decisions, our own values, our own well-functioning economy and services," EU competition tsar Teresa Ribera said this month.

EU officials often point to Washington's sanctions against International Criminal Court judges -- imposed by Trump in February 2025 -- to illustrate the grip of US firms. Judge Nicolas Guillou has described how he lost access to his Visa card since it is an American system.

But US envoy to the EU Andrew Puzder has warned against any protectionist moves, while American companies have urged Europe not to keep them out.

"Europe will not be able to

pull itself into the AI economy by bringing other people down," Puzder told AFP last month when asked about the plans.

Sweeping package

Wednesday's package will include:

-- the "Cloud and AI Development Act", aimed at speeding up the deployment of data centre infrastructure

-- a "Chips Act" proposal to reinforce the security of supply for semi-conductors by reducing dependence on foreign providers

-- a push for public authorities to use more open-source software solutions as a way to gain greater control and flexi-

bility and avoid being locked in.

EU lawmaker Oliver Schenk told AFP the package was "not about opposing our trading partners or closing markets", but said: "Europe must avoid becoming structurally dependent on any single external actor" for AI, cloud and chips.

The draft strategy, which could still change before the announcement, said governments would be expected to conduct "sovereignty risk assessments" for cloud and AI to "improve resilience" and spot European alternatives.

"Europe must ensure that public investments in AI and cloud infrastructure strengthen European innovation capacity, resilience and security," Schenk said.

According to a second draft document on chips, the commission wants the power to intervene in the event of a crisis by forcing "manufacturers to prioritise orders for crisis-critical products, overriding existing contracts".

It also proposes common purchasing, which means the EU would act as "a central buyer for multiple member states facing severe shortages".

'No kill switch'

Aaron Cooper of tech industry group Business Software Alliance sought to offer reassurances to Europeans who fear any US administration could act to hurt the bloc at times of tension, following past frictions, including over tariffs.

"There is no such thing as a kill switch," Cooper told AFP,

adding companies "want to comply with laws wherever they're doing business".

American tech companies have been keen to shift the focus of the debate, insisting Europeans would be in charge of their data while using US services.

"Digital sovereignty is about control, not just borders," said Ana Paula Assis, chair for IBM Europe, Middle East, Africa and Asia Pacific, adding that the company helps its clients "maintain authority over their entire IT estate".

The EU says the package will drive innovation and help Europe catch up with the United States and China in the AI race.

But Ben Brake, director general of DOT Europe, whose members include Amazon and Apple, said "retaliating against US corporations in response to trade disputes will neither drive innovation nor strengthen Europe's competitiveness".



US firms account for roughly 70% of Europe's cloud computing market, highlighting the continent's dependence on American digital infrastructure.

US, Mexico finish first round of trade agreement talks

Xinhua | Mexico City

Mexican and U.S. officials concluded the first formal round of negotiations in Mexico City on Friday as part of the review process for the United States-Mexico-Canada Agreement (USMCA), Mexico's Economy Ministry said.

The talks covered key regional economic issues, including automotive rules of origin, steel and aluminum, and regional economic security, the ministry said in a statement.

The negotiation teams were led by Mexican Economy Minister Marcelo Ebrard, and Jeffrey Gerrish, deputy U.S. trade representative.

Both sides confirmed that a second round will be held in Washington on June 16 and 17. It will include agriculture, fair competition conditions and continued discussions on rules of origin. A third round is scheduled for the week of July 20 in Mexico City and will focus on resolving pending issues ahead of the joint 2026 review, the ministry said.

China's top diplomat says Canada ties 'fully restored'

AFP | Beijing

China's top diplomat said during a trip to Ottawa that high-level political and security talks with Canada would resume, Beijing's foreign ministry said on May 30, in a further sign of improving ties.

The relationship has warmed in recent months even as Ottawa's ties with traditional ally Washington have soured following Canadian Prime Minister Mark Carney's meeting with Chinese President Xi Jinping in Beijing in January.

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"Bilateral relations have set sail anew, exchanges and co-operation across all fields have been fully restored and

the major economic and trade concerns of both sides have been properly addressed," Mr Wang told his Canadian coun-

terpart Anita Anand, according to the Chinese foreign ministry.

"The two sides agreed ... to resume consultations on political and security issues at the foreign ministry level, as well as high-level dialogue on national security and the rule of law," the statement said.

Beijing lowered some duties on Canadian goods in 2025, while Ottawa agreed to import tens of thousands of Chinese electric vehicles under preferential tariffs.

Canada's arrest of a Chinese executive at Huawei in 2018 led China to retaliate, plunging relations into a deep freeze.

Ties were strained further over allegations of Chinese in-

terference in Canadian elections in 2019 and 2021, which Beijing denied.

Mr Wang acknowledged that there had been "twists and turns" in the China-Canada relationship over the past several years.

According to China's foreign ministry, Ms Anand told Mr Wang that Canada was "looking forward to increasing exports to China by 50 per cent before 2030".

Bilateral trade between the countries reached nearly US\$90 billion (S\$115 billion) in 2025, up 4.9 per cent year-on-year, according to analysis by the University of Alberta, as Canadian exports to China surged by 13.8 per cent.

IMF, World Bank, IEA chiefs warn of summer fuel scarcity if Hormuz strait remains closed

AFP | Washington, United States

The heads of the International Monetary Fund, World Bank and International Energy Agency warned on Friday of the risks to fuel security during peak demand summer months if oil shipping through the Strait of Hormuz does not return to normal.

"Global oil inventories are being drawn down at a record pace in response to the major loss of supply through the Strait of Hormuz," the heads of the agen-

cies said in a joint statement.

"If shipping flows do not return to normal, continued rapid depletion of global oil inventories ahead of peak summer oil demand in the Northern Hemisphere would present increasing risks for fuel security, market conditions, and broader economic resilience."

The US-Israel war on Iran has engulfed the Middle East in conflict, with Tehran's retaliatory action targeting Washington's regional allies and virtually blocking the key waterway,

through which a fifth of global energy supplies normally pass.

In April, the heads of the IMF, World Bank and IEA announced they were forming a group to coordinate the agencies' response to the crisis, particularly for vulnerable economies.

In Friday's joint statement, they again highlighted that the surge in energy and fertilizer prices due to the war was having a disproportionate effect on lower income countries.

"Higher fertilizer prices are of particular concern as many

countries enter the planting season," they said.

At the IMF's Spring Meetings this year, the organization's chief Kristalina Georgieva highlighted that the war had forced a paring of the global growth forecast.

She estimated that vulnerable economies would need between \$20-50 billion in financial assistance due to the economic fallout of the conflict.

This week, the Fund announced that Bangladesh had requested a financial assistance package and that it was in talks

to develop a program to help the South Asian country.



Nitrogen fertilisers are largely made using natural gas, so spikes in gas prices often translate into higher farming costs and food prices.