

# DECOUPLE WHAT? DE-RISK & DIVERSIFY!



**D**on't mention the word "decoupling" during a gala fundraiser or an official meeting at the embassy, unless your name is Kate Wyler, like the out-of-the-box ambassador in the successful Netflix series, "The Diplomat". During the G7, held in Hiroshima, Japan, quoting Reuters, on May 21<sup>st</sup> U.S. President Joe Biden said: "We're not looking to decouple from China. We're looking to **de-risk and diversify our relationship with China,**" Biden told a press conference after a three-day summit with G7 leaders. He said G7 nations were more unified than ever in terms of "resisting economic coercion together and countering harmful practices that hurt our workers." On the table is what is known as a hot topic, which you will also find frequently on these pages: the dependence of the electrified western economy on China's monopoly of cells, batteries, semiconductors, lithium and rare earth metals. As a didactic example of what this might mean, Fortune reported the words of David Dollar, senior fellow in foreign policy at the Brookings Institution (in the upper photo, US Navy Admiral Michael Glenn Mullen at the Brookings). "Can we have this tech war and still have a very robust trading relationship in everything else? My instinct is 'Yes, it's based on economic efficiency, it's what companies want, it enables them to de-

live goods and services to consumers'." The kind of "draconian decoupling" that some in Washington are advocating would have "a big negative effect on US living standards," he said. "I just don't think US policy is going to go down that road, whatever the rhetoric." POWERTRAIN magazine is a platform based on technology and market dynamics, not on politics. We will therefore provide you with examples, somewhat related, in order to give you the tools to judge for on your own. According to a TI Fluid Systems official, the company is well prepared to support its North American customers with Inflation Reduction Act compliance. Owing to its 26 facilities in North America and commitment to local supply as part of its Environmental, Social and Governance initiatives, TI Fluid Systems believes it is uniquely placed to deliver thermal management and fluid handling solutions for battery electric vehicles that contribute to North American OEM customers' opportunity to comply with the IRA. TI Fluid Systems is currently manufacturing fluid handling products for battery cooling for multiple major North American and Global OEM customers. In March 2023, the company further underscored its commitment to this market, announcing a significant investment to build its next e-Mobility Innovation Centre (eMIC) in Auburn Hills, Michigan.