



Schwerpunkt Außenwirtschaft 2016/17

Recent developments in the trade policy of the
European Union

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Recent developments in the trade policy of the European Union

- 5 thematic blocks:
 - Multilateral level: Developments at the WTO
 - Plurilateral level: TiSA - Trade in Services Agreement
 - Bilateral level: EU trade agreements with third countries
 - EU level: Investment protection including dispute resolution and its path towards reform
 - EU level: The EU regulation on conflict minerals

WTO - Recent developments

- Re-election of WTO General Director Roberto Azevêdo
- TFA (Agreement on Trade Facilitation)
 - Entry into force on 22 February 2017
- Expansion of ITA (Information Technology Agreement)
 - Product list of 1996 extended to 201 products by 25 countries
 - ITA I und II covering +/- 97% of all internationally traded IT-products like semi-conductors, medical equipment, game consoles and GPS devices
 - Transitional periods for tariff schedules started in 2016
- EGA (Environmental Goods Agreement)
 - Still no agreement reached
- 11th MC (WTO Ministerial Conference)
 - December 2017 in Buenos Aires

Trade in Services Agreement - TiSA

- Plurilateral negotiations of EU and 22 WTO Members
- Covering 70% of world trade in services
- Already 21 rounds of negotiations
- EU improved its offer in October 2016 towards “best concluded free trade agreement” - CETA
- After US presidential elections, original goal of closing negotiations in December 2016 was abandoned
- No formally set deadline for ending the negotiations

EU Trade Agreements with third countries

■ Japan, Mercosur and the Philippines

- Ongoing negotiations in 2016
- Negotiations with Japan and Mercosur should be concluded by End of 2017

■ Mexico:

- Negotiations of Modernisation of “Global Agreement” started 2016
- Negotiations should be concluded by End of 2017

■ Indonesia

- Negotiations started 2016

EU Trade Agreements with third countries

■ Turkey

- EU-Mandate for modernisation of customs union in discussion

■ USA

- 4 rounds of negotiations of TTIP in 2016
- No “political agreement” under the Obama administration
- Now “natural pause” and
- Continue of the negotiations - if political will - earliest autumn 2017

EU Trade Agreements with third countries

■ Canada

- Approval of CETA by EU Council of Ministers (28 EU Member States) and European Parliament
- Provisional application possible from summer 2017

■ SADC

- Provisional application since October 2016 with Botswana, Lesotho, Namibia, Swaziland and South Africa

■ Ecuador

- Accession protocol to trade agreement applied provisionally since 1 January 2017

Investment protection including dispute resolution and its path towards reform

- 16th September 2015 EC reform proposal:
 - Investment Court System (ICS) with an Appeals Tribunal
 - Independent, highly qualified, publicly appointed judges
 - States´ „right to regulate“ public policy objectives
 - Exclusion of frivolous, unfounded claims
 - Ban of „forum shopping“
 - „loser pays principle“
 - Transparency of documents and hearings
 - Easier access and possible cap on costs for SME

Investment protection including dispute resolution and its path towards reform

■ Investment Court System (ICS)

- In FTAs with Canada (CETA) and Vietnam
- In other ongoing negotiations (Japan, Mexico, Tunisia, China, Myanmar)
- In future EU FTAs

■ Multilateral Investment Court (MIC)

- Medium-term objective of European Commission
- Establishment of a permanent institution
- Reference to MIC in CETA and Vietnam and all ongoing EU negotiations

EU Regulation on Conflict Minerals

- EU-Imports of certain minerals and metals from conflict affected and high-risk areas:
 - Tin,
 - Tantalum,
 - Tungsten and
 - Gold
- Approval of European Parliament in March 2017; In May 2017 the EU-regulation was published in the official journal of the EU.
- Obligations for EU importers will not apply before 1st January 2021.