

Recent developments in the trade policy of the European Union

18th June 2018

Brexit

- 29th March 2019 exit of United Kingdom (UK) from the EU
- 30th March 2019 UK will be a third country
- Withdrawal Agreement EU-UK
 - Transition period until end of 2020
 - EU-rules stay in force and all new EU-rules will be adopted by UK
- No Agreement EU-UK (“hard Brexit”)
 - WTO-szenario
 - Third country customs procedures
 - 340.000 additional customs declarations
 - Additional costs for the Austrian economy of about 300 Mio. EURO

US trade policy measures

- US safeguard measures for national security reasons (“Section 232”)
 - Washing machines and photovoltaic systems
 - Additional duties on certain steel (+25 %) and aluminium goods (+10 %)
- EU Strategy
 - Preparation of a WTO Dispute Settlement
 - Safeguard investigation concerning imports of steel products
 - “rebalancing measures” on certain US-products (e.g. Jeans, Whisky, Harley Davidson)

WTO

- 11th Ministerial Conference December 2017
 - Ministerial decision
 - Fisheries subsidies
 - Maintaining the current practice of not imposing duties on electronic transmissions
 - Commitment to continue negotiations on a better integration of SME in global trade
 - No agreement
 - Multilateral agreement on the key issues of the MC11
 - Permanent solution on the public stockholding for food security purposes
 - Elimination of certain fish subsidies
 - Buenos Aires Declaration on Women and Trade

Multilateral investment court (MIC)

- Permanent body to settle investment disputes between investors and host states
- Replacement of bilateral investment courts established through EU agreements (e.g. Canada, Vietnam, Singapore)
- Judges should be employed on a regular basis and be independent and impartially
- Negotiations should be transparent
- Possibility of legal remedy
- March 2018 European Commission mandate
- Critical mass of supporters necessary for success

European screening mechanism for foreign direct investment

- High growth of foreign investment in the EU especially investment in sensitive sectors and high-tech companies in particular from China
- Loss of know-how and missing of reciprocity for European investment in third countries
- September 2017 proposal concerning an “European screening mechanism for foreign direct investment”
 - European framework for the examination of foreign direct investment based on risks to security and public order
 - Review cooperation of the member states and the Commission by mutual information sharing
 - Unbinding recommendations from European Commission but decision still on national level
 - Triologue with the European Parliament

Trade Agreements

- Canada
 - Provisional application since September 2017
- Japan
 - April 2018 proposal for signature and conclusion of economic partnership agreement
 - December 2018 vote of European parliament
 - Beginning 2019 possible in force
- Chile
 - November 2017 official start of negotiations for modernization of existing agreement
- Australia and New Zealand
 - September 2017 mandate proposal

Thank you for your attention