

Introduction:

# International Trade and Sustainable Development

Schwerpunkt Außenwirtschaft 2019/2020

Focus on External Trade 2019/2020

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Vienna, Austria

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Eine Initiative der **WKÖ**

# Publication: Schwerpunkt Außenwirtschaft 2019/2020



- Yearly joint publication
  - Austrian National Bank and
  - Austrian Federal Economic Chamber
- In addition to its function as reference, this publication offers food for thought and impulses for economic or corporate policy
- Available online at
  - the [Austrian National Bank](https://news.wko.at/schwerpunktaussenwirtschaft) and
  - Austrian Federal Economic Chamber:  
<https://news.wko.at/schwerpunktaussenwirtschaft>

Introduction  
General presentations on international trade

Panel  
International Trade and Sustainable Development

### Christoph M. Schneider

Austrian Federal Economic Chamber

- *Introduction*
- *Recent developments in EU trade policy*
- *Austria's foreign trade in goods*

### Patricia Walter

Austrian National Bank

*Current developments in the economy and in foreign trade - How do Austrian services exports hold up under Covid-19?*

### Thomas Cernohous

Austrian National Bank

*FDI - Current developments*

### Klaus Vondra

Austrian National Bank

*Austrian is facing unprecedented peacetime contraction*

### Julia Wörz

Austrian National Bank

*Recent developments in global trade*

### Valeria Costantini

University of Roma Tre

*Diffusion pathways of eco-innovations in global supply chains*

### Mathieu Lamolle

International Trade Centre (ITC)

*Monitoring the Sustainability of Complex Global Value Chains: Tools, Incentives and Challenges*

### Anirudh Shingal

European University Institute (EUI)

*Aid for trade in services: definition, magnitude and effects*

### Jana Titievskaja

European Parliament Think Tank

*EU trade policy options to tackle climate change*

### Cynthia Zimmermann

Austrian Federal Ministry of Digital and Economic Affairs

*Trade and Sustainable Development Chapters in EU trade agreements*

Discussion and Closing words

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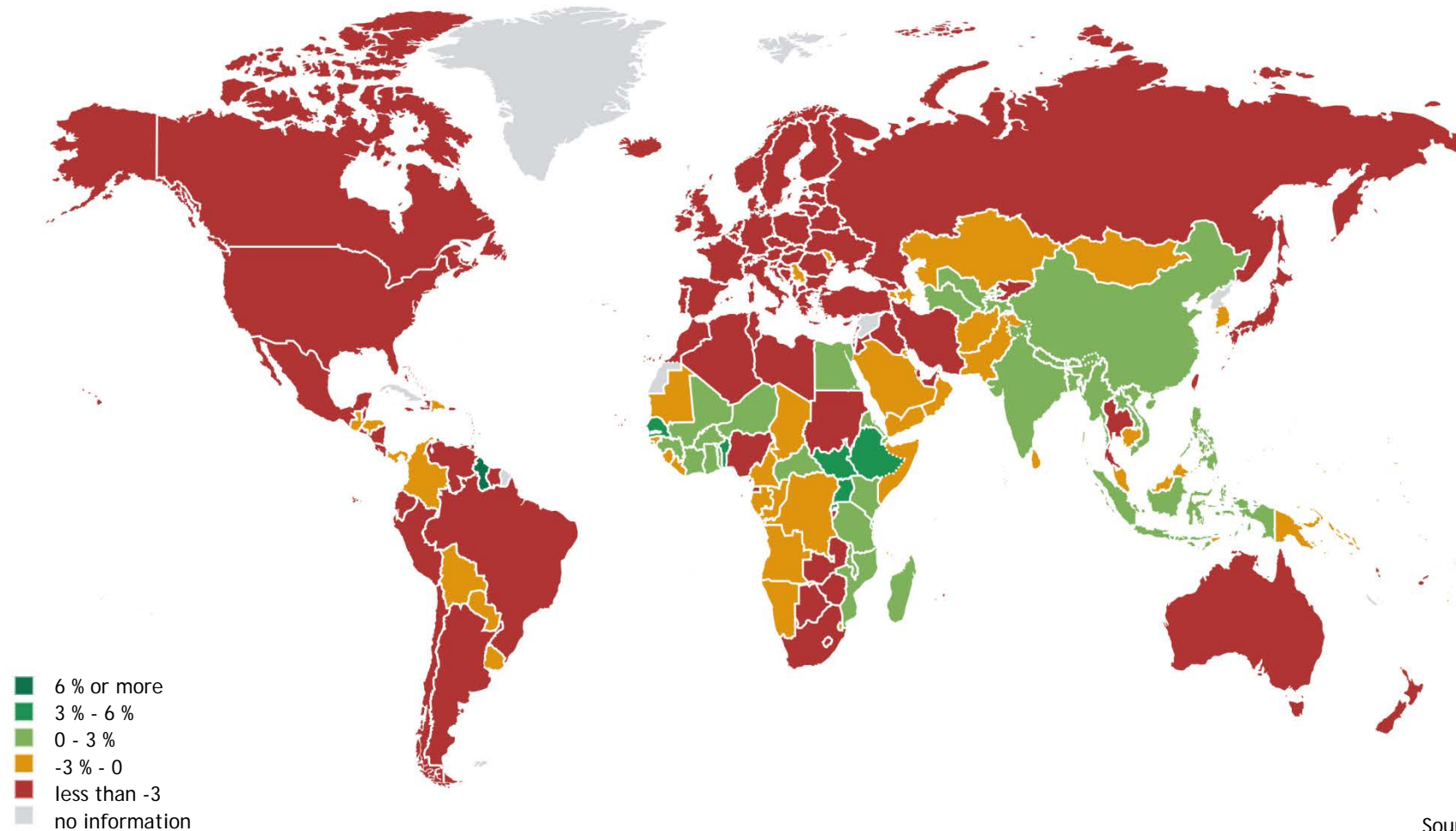
# Challenges to international trade: Trade conflicts and Covid-19

Austria's foreign trade in goods  
*Leonhard Pertl*

Recent developments in EU trade policy  
*Martina Scherthanner, Susanne Schrott, Claudia Stowasser, Barbara Tasch-Ronner*

# Global Economic Growth 2020

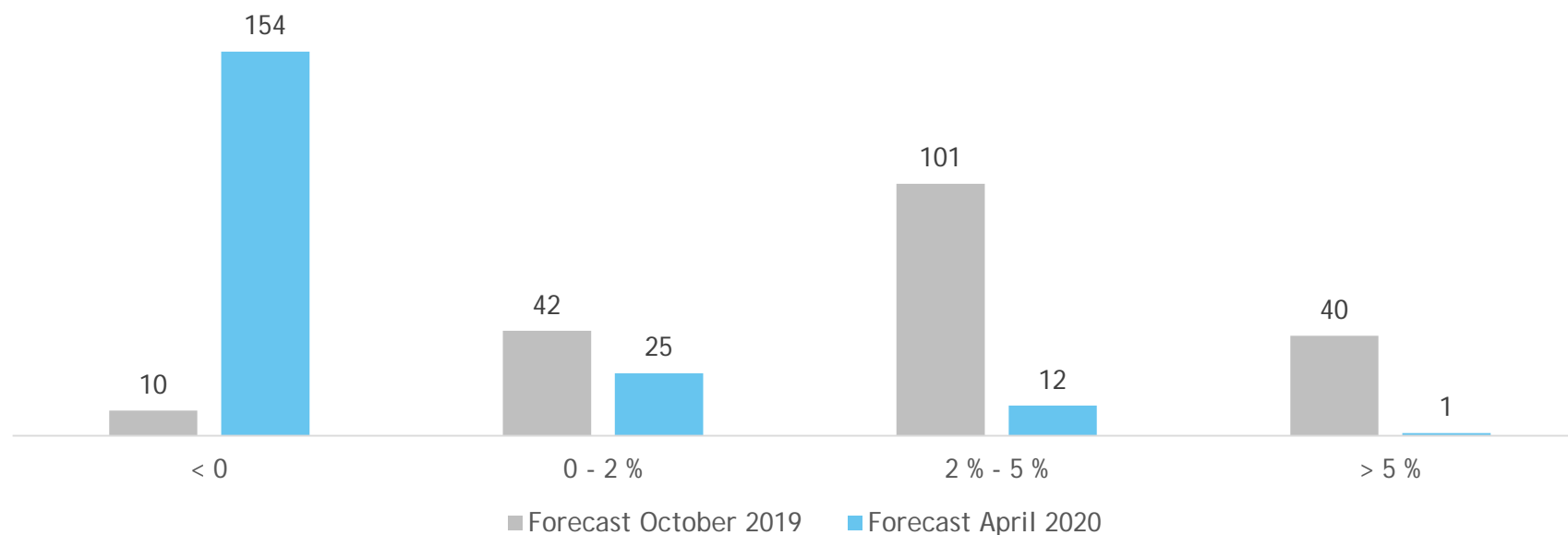
real GDP growth, % change y-o-y



Source: IMF

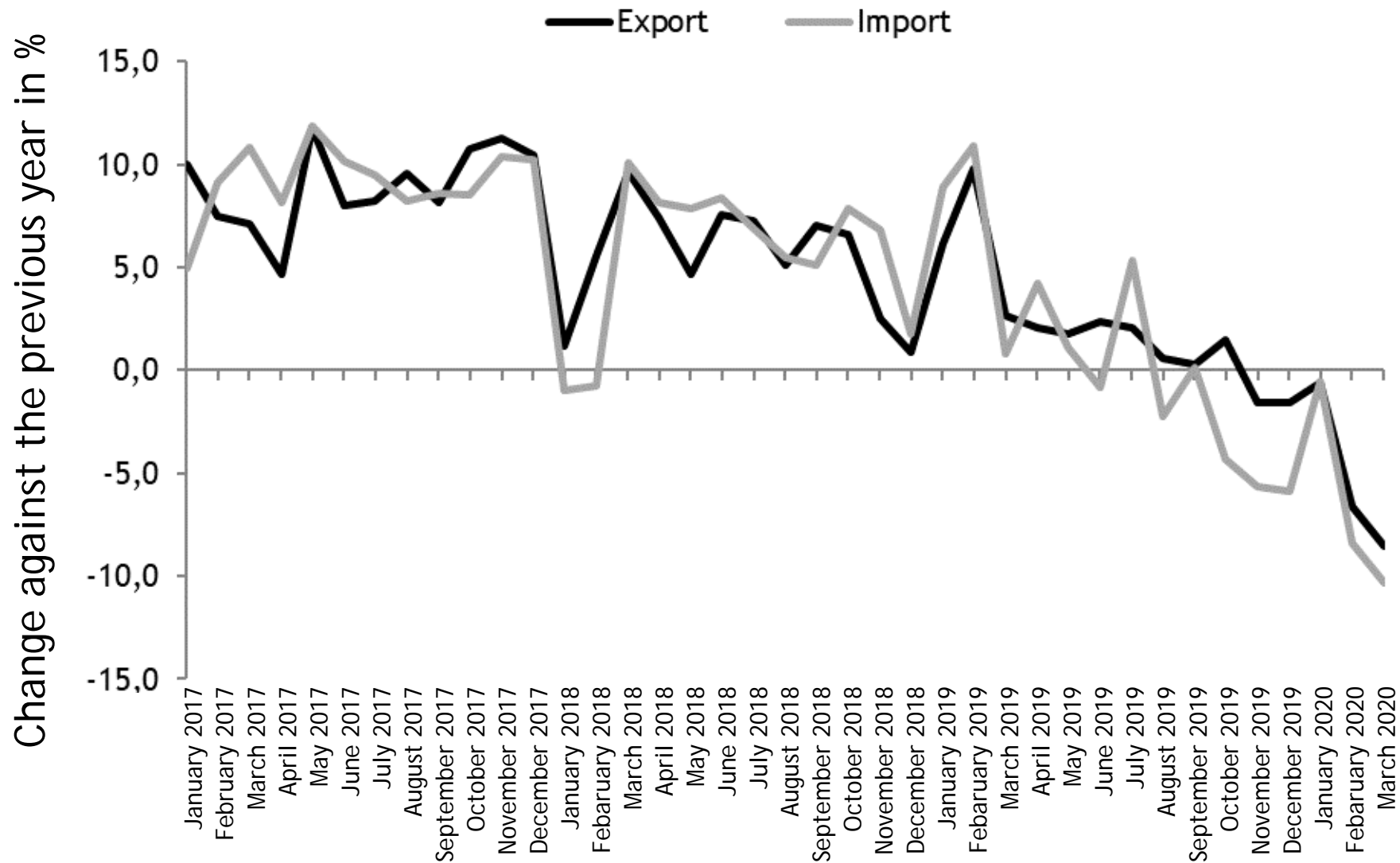
# Economic growth before and after Covid-19

- 154 countries: negative growth this year, before Covid-19 only 10 countries
- 80 % of all countries experience major economic slowdown



Source: IMF

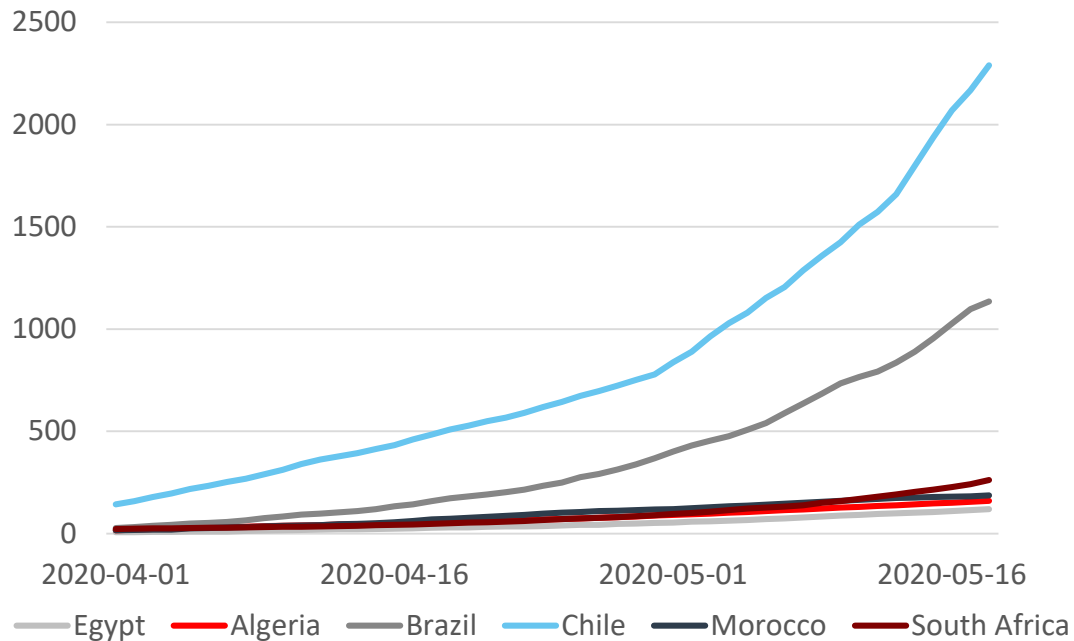
# Austrian foreign trade declined before Covid-19



Source: Statistik Austria, values from 2019 provisional, work-cleaned foreign trade in goods

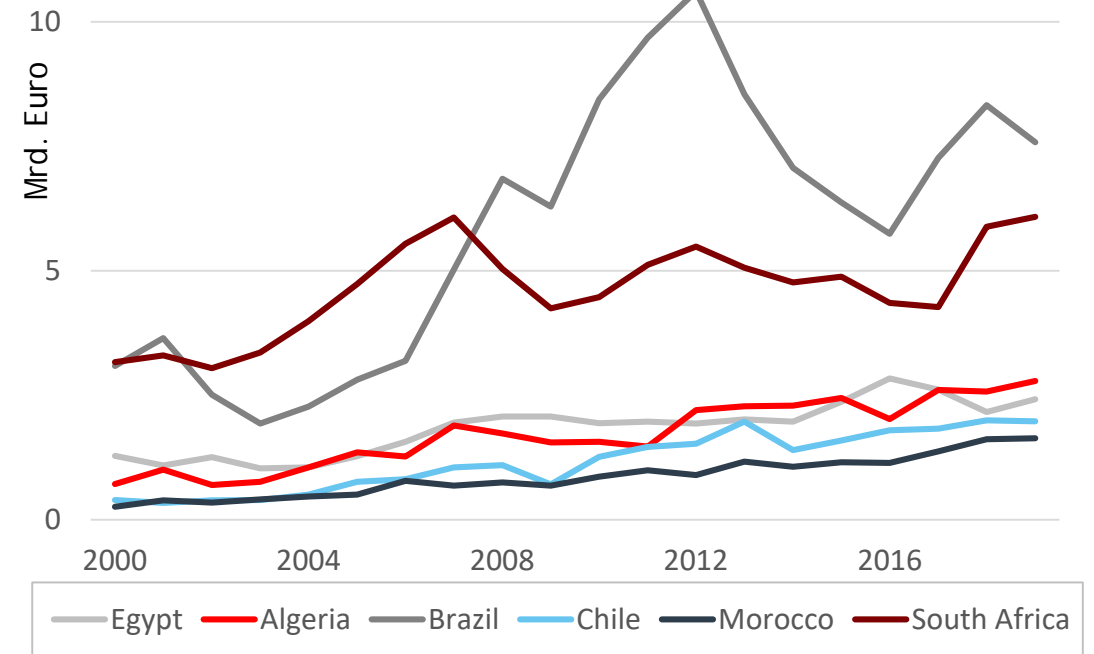
# Corona in Africa and South America

Sharp increase of Corona-infections  
number per million inhabitants



Source: OurWorldInData

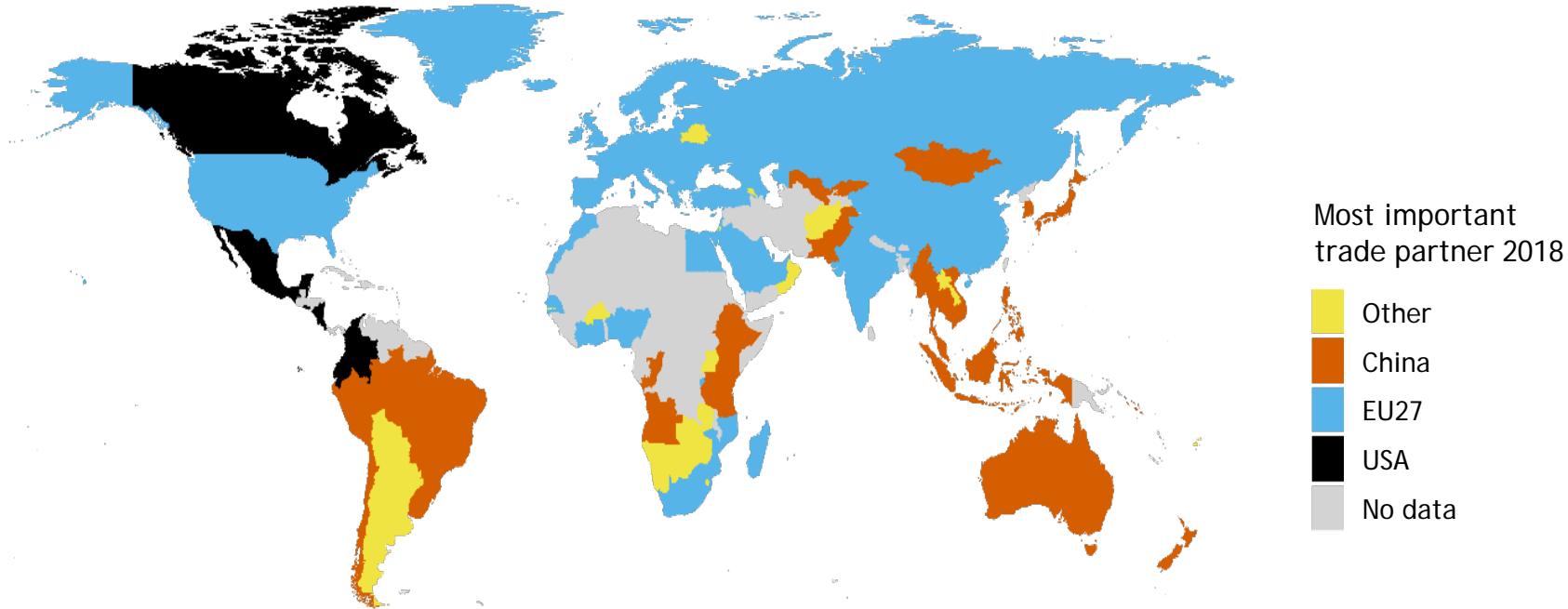
Increasing Austrian Exports to Africa and South America



Source: Statistik Austria



# Conflict vs. cooperation: EU trade policy key for sustainable growth



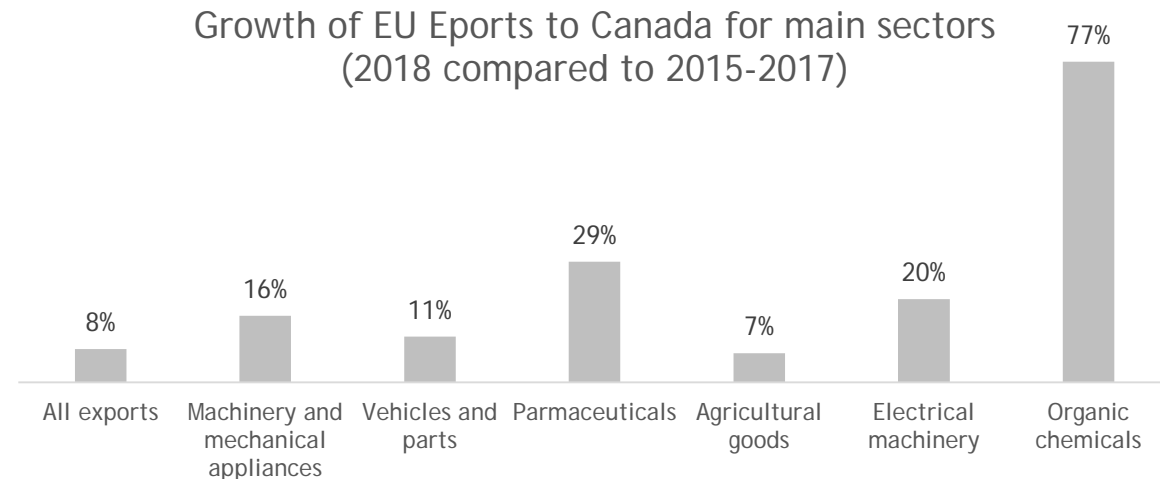
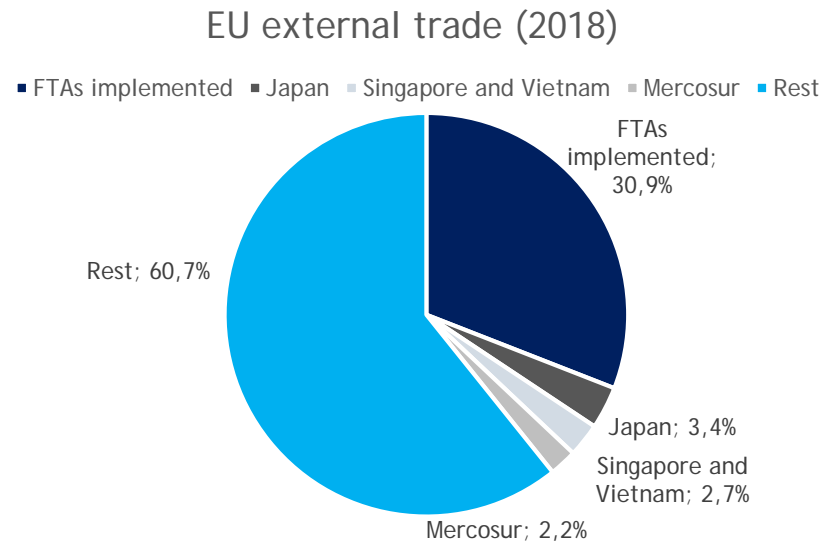
Source: UN Comtrade/WITS

- Covid-19 and trade conflicts reduce global wealth
- EU: main trading partner for many countries worldwide
- EU trade policy as a stable anchor for the global trading system and sustainable growth

# EU trade policy: Recent achievements

## ■ Trade Agreements

- 28 June 2019 „agreement in principle“ EU and Mercosur (Argentina, Brazil, Paraguay and Uruguay) after 20 years of negotiations
- 21 November 2019: EU-Singapore trade agreement enters into force
- Summer 2020: EU-Vietnam trade agreement expected to enter into force



Source: Report on Implementation of EU Trade Agreements January - December 2018

# EU Trade Policy: Challenges and opportunities

- Brexit: future trade relations with the UK
  - UK left on 31 January 2020 followed by a transition period until 31 December 2020 – “hard brexit” without agreement or extension of the transition period
- WTO
  - 25 years and 164 members
    - International negotiating forum, supervisory authority and guardian of globally applicable trade rules
    - Critics: continuing existence of market-distorting subsidies, which are often channelled through state-owned companies, the infringement of intellectual property rights, inflexible procedures, unjustified advantages for industrialised emerging economies, lack of transparency (lack of notifications)
    - Reforms are needed
  - December 2019 WTO-Appellate Body imploded
    - EU response: Trade Enforcement Regulation and Multi Party Interim Arrangement (MPIA)
  - 12th Ministerial Conference planned for Nursultan (Kazakhstan) in June 2020 had to be postponed

Thank you.