



# Schwerpunkt Aussenwirtschaft 2015/16

## Recent Developments in EU Trade Policy

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# EU Trade and Investment Strategy - Trade for All

- ....presented by the Commission on 14th October 2015
- ....follows EU-strategy starting with „Global Europe“ (2006), „Trade, Growth&Jobs“ (2010)
- multi-, pluri-, bilateral, autonomous trade instruments
- priorities
  - global value chains, trade in services, e-commerce, SME, mobility of experts + senior managers, promotes high standards of protection and quality, „right to regulate“ in favour of public policy objectives, more effective implementation, investment protection, sustainability, fair and ethical trade, anti-corruption....
  - countries like US, CA, JP, CN, AU, NZ, MX, ID, PH, TR...

# WTO, 10th Ministerial Conference, Nairobi Results

- MC10, 15th-19th December 2015, Nairobi, Kenya
- very controversial standpoints in the preparation phase did not give cause for hope....
- (surprising) results:
  - Doha Development Agenda confirmed, export competition (dismantling of industrialised countries' export subsidies, disciplines for food aid, export credits and for state owned enterprises); "Nairobi Package" on agriculture, cotton, LDCs; WTO work programme, moratoria on e-commerce and „non-violation“ ....
  - accessions: Liberia, Afghanistan
- accessions before MC10: Kazakhstan on 30th Nov. 2015

# Information Technology Agreement - ITA

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- ITA is a plurilateral agreement concluded by 29 countries in 1996, now 82 countries covering +/- 97% of all internationally traded IT-products like semi-conductors, medical equipment, game consoles, GPS devices...
- at MC10/Nairobi ITA extended its product list of 1996 by 201 products, transitional periods for tariff schedules starting in 2016
- revised ITA was negotiated by 53 countries, ITA benefits all 164 WTO-Members because of "most favoured nation-clause" (MFN)
- ITA now covers 1,3 trillion € in annual global trade

# “Green Goods” Environmental Goods Agreement - EGA

- plurilateral negotiations on tariff dismantling for goods contributing to “green growth”, protection of the environment and sustainable development (clean air and water, waste management, energy efficiency, renewable energy...)
- started in January 2014 by EU and 14 WTO member countries
- based on a list of 54 products of a 2012 APEC-initiative
- based on the MFN-principle
- some environmentally friendly services are also discussed (installation, maintenance...)
- ambitious timetable - agreement should be reached in 2016

# Trade in Services Agreement - TiSA

- plurilateral negotiations of EU and 22 WTO Members covering 70% of world trade in services
- 2015 - five negotiating rounds
- Paraguay and Uruguay withdrew
- 2016 - finalisation of the agreement ?
- EP: in January vote on report by Viviane Reding (+/- 600 amendments): stresses the potential, requests, concerns, red lines...
- core annexes (financial services, telecom, e-commerce, domestic regulation, mode 4, transparency) should be stabilised by mid-2016
- revised market access offers to be tabled in October
- accession of China still on hold

# Transatlantic Trade and Investment Partnership, TTIP

- negotiations started in June 2013, 13 negotiating rounds
- lively and controversial public debates, esp. in Austria, by critics, opponents, some media, political parties, civil society...
- in 2015 we had four official negotiating rounds (revised offers on goods and services, regulatory cooperation with nine sector annexes, „rules“ like SME, energy/raw material, IP, GI...), three political stock-takings, 12 meetings of the Commission´s „TTIP-Advisory Group“, several civil society meetings organised by EC, many events, presentations, discussions in EU-MS (Commissioner Malmström was in Austria in Jan), online EU position papers and negotiation documents....
- EP resolution on 8th July on its expectations, red lines...
- basic agreement before end of Obama´s term of office ?

# Investment Protection

## General Aspects

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- Austrian FDI in USA tripled from 2006 to 2014 to the amount of 8,3 billion € (even higher because of indirect FDI by Austrian holding companies settled in LUX, CH...)
- up to 700 Austrian subsidiaries in USA, 200 of which are also manufacturing companies
- Investment Protection Agreements aim at guaranteeing protection against acts of state causing
  - discrimination
  - expropriation without compensation
  - unfair and arbitrary treatment
  - limitations to investment-related transfer of capital to foreign investors
- 2015: EC published consultation report and concept paper



# Investment Protection EU´s Proposal for Reform

- on 16th September 2015 the EC presented its proposal to reform international investment protection rules:
  - Investment Court System (ICS) with an Appeals Tribunal
  - independent, highly qualified, publicly appointed judges
  - states´ „right to regulate“ public policy objectives
  - excludes frivolous, unfounded claims
  - bans „forum shopping“
  - „loser pays principle“
  - transparency of documents and hearings
  - easier access and possible cap on costs for SME ...
- November 2015 - the EU presented its proposal to the US
- ICS in FTAs with CA (CETA), JP, CN, MM ....

# Other EU Trade Agreements

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- **Vietnam:** conclusion on 2<sup>nd</sup> December 2015, text has been published on 1<sup>st</sup> February 2016
- **Mexico:** “Global Agreement” of 2000/2001 will be modernised
- **Philippines:** negotiation started in December 2015, first negotiating round in Mai 2016
- **Singapore:** agreement of 2014 was put before the ECJ
- **New Zealand:** preparations to start negotiations
- **Australia:** preparations to start negotiations
- **Tunisia:** negotiations started in October 2015
- **Kosovo:** Association Agreement entered into force in April 2016

# Other EU Trade Agreements

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- **Ukraine:** entered into force on 1<sup>st</sup> January 2016, parts of the agreement have been provisionally applied since 2014
- **Kazakhstan:** agreement has been signed on 21<sup>st</sup> December 2015
- **Armenia:** agreement reached in 2013, Armenia did not implement the agreement because it joined a customs union with Russia, Belarus and Kazakhstan; negotiation of a Framework Agreement started in December 2015
- **Cuba:** political agreement concluded in March 2016