



EU trade & AfT in practice: International, regional and domestic dimensions

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The EU trade strategy



Trade for All

- A comprehensive EU trade policy strategy (October 2015) to deliver to all citizens
 - Effective: results for today's economy
 - Responsible: based on values and sustainable development
 - Transparent: inclusive policy-making
- Strives to deliver benefits of trade to *all* EU citizens: committed to a rules-based multilateral trading system that underpins our prosperity
- Consultation on EU Trade Policy Review (June-November 2020)

EU Trade and Investment Policy

What are its goals?

1 **Global System** for
fair and open trade

Open Markets
to access partner
countries

3 Make sure
everyone **plays
by the rules**

Support
**sustainable
development** for
developing countries
and the environment

Trade priorities under VdL Commission

- A level playing field for all:
 - **Review EU Trade Policy** (Consultation ended 15/11/20), reform WTO, WTO impetus on e-commerce, address unfair trade practices (strengthening EU defence and enforcement, screening FDIs), **implementation & enforcement : Chief Trade Enforcement Officer (CTEO)** {Denis Redonnet, appointed 24/07/2020}
- **Strengthening Europe's global leadership:**
 - US, China (investment agreement), **Africa (AfCFTA)**, ongoing negotiations (Australia-NZ)
- **Trade for sustainable development and climate action:**
 - **climate, environmental and labour protections (zero-tolerance approach to child labour), Carbon Border Adjustment Mechanism** (WTO compliant)
- **Making trade more transparent**

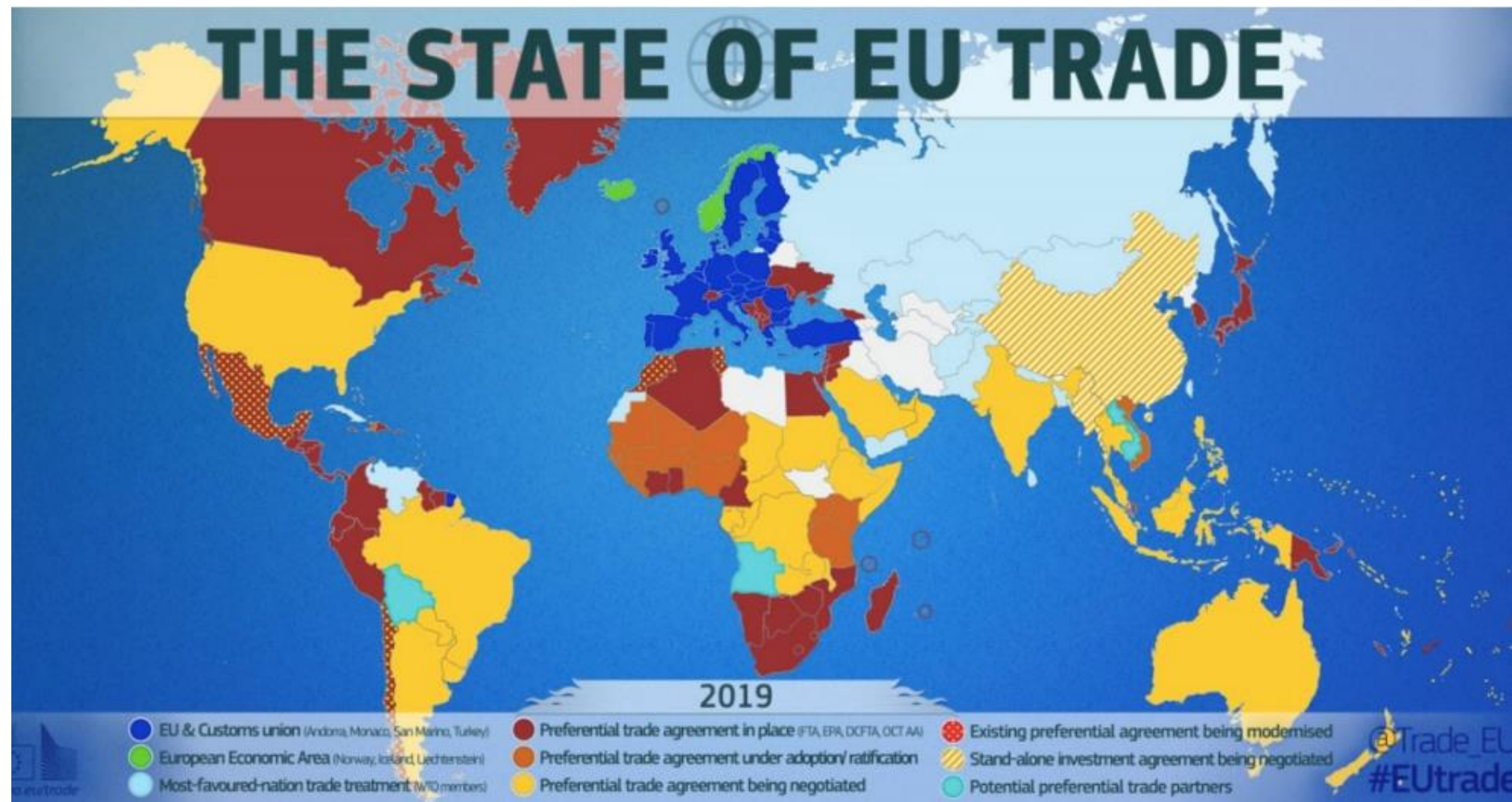
Some of Valdis Dombrovskis' pointers

- **open strategic autonomy**: resilience of supply chains
- [Access2Markets portal](#): one-stop shop to help EU SMEs navigate the world of international trade (and a new **Single Entry Point ('SEP') for enforcement**, market access and SMEs and a new complaint system available to stakeholders)
- launch a WTO trade and climate initiative, focusing on green goods and **services**
- have a meaningful commitment from [Mercosur](#) countries on **deforestation** and on the **Paris Agreement** (needed for ratification EU FTA)
- reinforcing our economic partnership agreements with [Africa](#), building **resilient value chains** and boosting sustainable **public and private investment** in sectors of mutual interest. Our long-term objective is to achieve a continent-to-continent agreement
- On [GSP](#), we will certainly strengthen the link with sustainability, including the Paris Agreement
- have more [...] enforceable or gradually **enforceable TSD chapters** (...) explore conditioning tariffs on certain sustainability outcomes (DG Trade will conduct a comparative study of TSD chapter, also to clarify approach and methodology, and follow up by [CTEO](#))
- advance the Commission's proposal on **mandatory due diligence** already next year
- we will prepare an **EU gender action plan** for 2021-2025 for external relations, and trade will be an important component
- we are ready to continue to work on the **UN binding treaty on business and human rights**:" [...] "the **sustainable cocoa initiative**, [...] is a good model of multi-stakeholder initiatives and something we may seek to replicate also in other areas

General context

- **Multilateralism** under pressure:
 - Rise of trade tensions (US, China; EU)
 - WTO system not delivering (DSM, 2001 Doha Round, systemic issues)
 - Rise of mercantilism (America 1st); strategic autonomy
 - Rising suspicion/dissatisfaction towards globalization
- **COVID-19**: fall of trade flows, protectionism, reshoring, localization of production, access to health/PPE products
- Global value chains: integration and disintegration
- Regional integration processes: AfCFTA, TPP, ...
- **In EU**:
 - More geostrategic EU & economic interests
 - More sustainability and 'responsible' trade
 - **Green Deal**

Helping partner countries make the most of EU trade agreements/schemes



EU trade regimes

- EU free trade agreements (FTAs): *reciprocal*
 - More recent FTA are more comprehensive/sophisticated
 - Trade and Sustainable Development (TSD) chapter
 - EPAs: about development (and AfT endeavours)
- Generalised system of preferences (GSP): *unilateral*
 - Standard, GSP+, EBA
- MFN WTO (= no preferences); WTO rules (e.g. TFA)



Trade agreements

GSP, EU/partner/regional FTA
(e.g. AfCFTA), WTO (e.g. TFA)

Aid for Trade

External Investment Plan and blending

- Investment, regulatory/policy, projects preparation
- Budget support
- Human capital: health, education/skills development, gender
- Private sector engagement

Engage better with stakeholders



**Private
sector**



**Civil
society**



**Local
authorities**

Some Suggestions to tailor AfT

- Volumes up:
 - Targeting bottlenecks, incl. on connectivity (supply chains); customs (trade facilitation); standards/capacity (e.g. REX – Registered Export system)
 - Increasing the pie: bring in new investors in interesting sectors – reach out to EU industry
 - Disseminate information tools (trade helpdesk, “market analysis tools” ITC, etc.) and bring them into the country, social media
- Values up:
 - Sensitise that values and trade go hand in hand as far as EU market is concerned
 - Find ways to further increase value by values (certification, labelling, etc.)

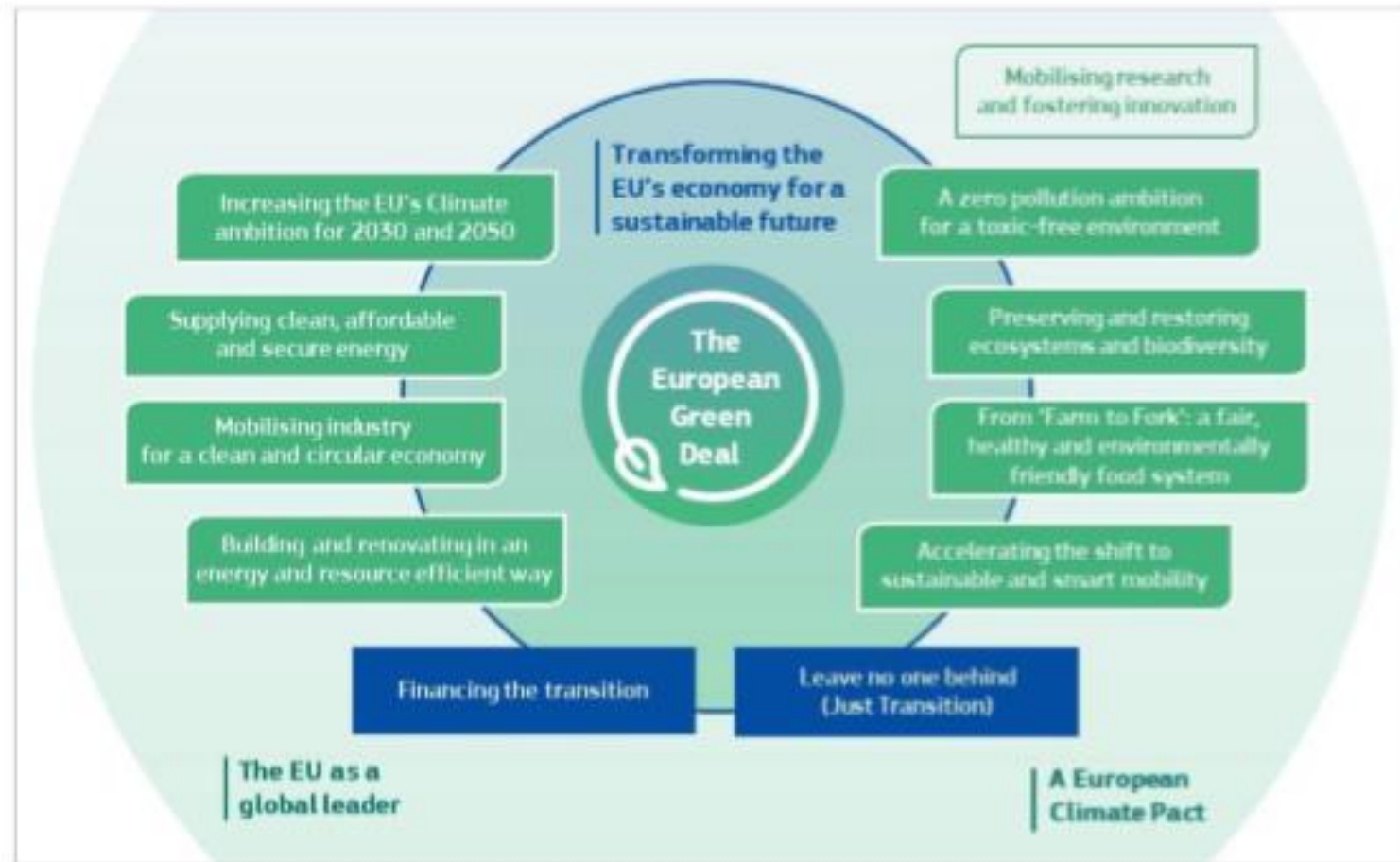
Some Suggestions

- All the Way
 - Partnering with industry (EU and country), work together with member states
 - Explore more projects of 'mutual' interest: EU industry can help diversify economies; bring values; etc.
 - Work together with industry; (EU) chambers of commerce; EIB lending to relevant (EU) projects/feasibility (connectivity); levelling the playing field, advocate for liberalisation, etc.
 - Go local – reach out and link, also regionally (compare ASEAN FTAs)

Trade and the **European Green Deal**



Green Deal Actions.



***“Trade policy** can support the EU's ecological transition
It serves as a platform to engage with trading partners
on climate and environmental action.”*

European Green Deal Communication



The European Green Deal



*“You will ensure we mainstream biodiversity priorities across
all policy areas, notably **trade** [...]”*

Ursula von der Leyen, Mission Letter to Frans Timmermans

*“You will use our trade tools to support **sustainable
development**. Every new trade agreement concluded will
have a dedicated chapter on sustainable development.”*

Ursula von der Leyen, Mission Letter to Phil Hogan



Aid for Trade and the European Green Deal

European Green Deal:

- EU trade = “a platform to engage with trading partners on climate and environmental action”
- promote climate action, environmental sustainability, biodiversity, sustainable value chains, circular economy, farm-to-fork (F2F) sustainable food system
- stimulate green investment (public & private): energy, agriculture, production...
- facilitates trade and investment in green goods and services
- promotes climate-friendly public procurement
- enhance regulatory cooperation promote EU standards
- address harmful practices such as illegal logging /deforestation (e.g. FLEGT)
- help implement and enforce the sustainable development commitments (Chief Trade Enforcement Officer)



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EU Spotify

Thank you



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