



# 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

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- 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

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- 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

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- 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

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## ■ 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

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## ■ 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

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## ■ 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

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- 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

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## ■ 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

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- 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.