The European Union
Trade Policy 2016

European Commission
Trade
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3. EU Trade and Investment Policy
4. Multilateral Dimension
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1. Today’s Context
• Globalisation
  - Including fragmentation of value chains

• Emergence of new economic powerhouses
  - China, India, Brazil

• Economic downturn
  - Trade is part of the solution
2. The EU in World Trade
EU 28 remains a trading power...

14.8% of world trade (in goods) in 2014

Second-largest exporter
(after China)
€1.702,9 bn (2014)

Second-largest importer
(after the US)
€1.680,5 bn (2014)

EU-28* received €523 bn in FDI 2013
(ranking 1st before US € 141.2 bn)

* For EU: FDI inflows from Extra EU28

Sources: Eurostat, UNCTAD
## The EU28 in world trade

### 10 major EU28 export partners in 2014 *(source: Comext regime 4)*

<table>
<thead>
<tr>
<th>Rank.</th>
<th>EU Exports to</th>
<th>M euro</th>
<th>% world</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Extra EU-28</td>
<td>1,702,854</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>USA</td>
<td>310,861</td>
<td>18.3</td>
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<td>2</td>
<td>China</td>
<td>164,731</td>
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</tr>
<tr>
<td>3</td>
<td>Switzerland</td>
<td>140,349</td>
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</tr>
<tr>
<td>4</td>
<td>Russia</td>
<td>103,291</td>
<td>6.1</td>
</tr>
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<td>5</td>
<td>Turkey</td>
<td>74,632</td>
<td>4.4</td>
</tr>
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<td>6</td>
<td>Japan</td>
<td>53,303</td>
<td>3.1</td>
</tr>
<tr>
<td>7</td>
<td>Norway</td>
<td>50,180</td>
<td>2.9</td>
</tr>
<tr>
<td>8</td>
<td>South Korea</td>
<td>43,138</td>
<td>2.5</td>
</tr>
<tr>
<td>9</td>
<td>United Arab Emirates</td>
<td>42,772</td>
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</tr>
<tr>
<td>10</td>
<td>Brazil</td>
<td>36,928</td>
<td>2.2</td>
</tr>
</tbody>
</table>
## The EU28 in world trade

### 10 major EU28 import partners 2014

(sources: Comext regime 4)

<table>
<thead>
<tr>
<th>Rank.</th>
<th>EU Imports from</th>
<th>M euro</th>
<th>% world</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Extra EU-28</td>
<td>1.680.542</td>
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<td>1</td>
<td>China</td>
<td>302.504</td>
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<tr>
<td>2</td>
<td>USA</td>
<td>204.866</td>
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<td>3</td>
<td>Russia</td>
<td>181.805</td>
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</tr>
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<td>4</td>
<td>Switzerland</td>
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<td>5</td>
<td>Norway</td>
<td>83.964</td>
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<td>Japan</td>
<td>54.569</td>
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<td>7</td>
<td>Turkey</td>
<td>54.270</td>
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<td>8</td>
<td>India</td>
<td>39.045</td>
<td>2.3</td>
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<td>9</td>
<td>South Korea</td>
<td>37.047</td>
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</tr>
<tr>
<td>10</td>
<td>Brazil</td>
<td>31.128</td>
<td>1.9</td>
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</tbody>
</table>
The EU in world trade
Share of EU28*, USA, Japan and China in World Trade in Goods (%)
Investment going into and from the EU

2013 World investment into EU €523bn (46.2%)

2013 EU investment into world €477.5bn (43.5%)

Total World investment into EU €3,778bn (20.6%)

Total EU investment into world €4,900bn (25.4%)

Sources: Eurostat, UNCTAD
### EU's investments in the world, 2013

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Million euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>USA</td>
<td>225.201</td>
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<tr>
<td>2</td>
<td>Brazil</td>
<td>37.829</td>
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<td>3</td>
<td>Switzerland</td>
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<td>4</td>
<td>Bermuda</td>
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<td>5</td>
<td>Cayman Islands</td>
<td>20.846</td>
</tr>
<tr>
<td>6</td>
<td>Mexico</td>
<td>20.334</td>
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</tbody>
</table>

Sources: Eurostat
3. EU Trade and Investment Policy
EU Trade and Investment Policy

Basic features

Being the leading trade region

Strong interest in:
- Open markets
- Clear regulatory frameworks

Responsibility towards:
- EU citizens
- Rest of the World

Need to reinforce EU competitiveness on world markets
Reaching beyond the borders...

• Trade is no longer just about tariffs...
  - Standards
  - Licensing practices
  - Domestic taxes
  - Investment

• Trade is not just about trade...
  - Environment
  - Human Rights
  - Labour Rights
Trade Policy Agenda
Trade, Growth and World Affairs

- Pursue active negotiating agenda
  - Multilateral Trade Agreements
  - Bilateral Trade Agreements

- Deepen relations with strategic partners
  - China, Russia, Brazil

- Enforce EU rights, tackling trade barriers
Investment policy

- EU exclusive competence (Lisbon Treaty)
- Communication "Towards a comprehensive European investment policy" (2010)

- Investment protection within negotiations:
  - On-going: Canada, India, Japan, Morocco, Singapore, USA
  - Possible: Tunisia, Egypt, Jordan
- Standalone investment agreement with China
- Legal certainty and transparency
EU Trade and Investment Policy

Three strands

Dimensions of trade and Investment policy

- Multilateral
- Bilateral
- Unilateral
EU Trade and Investment Policy

How we negotiate

Civil Society and Public Consultations

The Commission negotiates
  • On behalf of the 28 Member States
  • Regular reporting to the Council and the European Parliament

The Parliament co-decides
  • EP co-decides with the Council on trade legislations (except negotiating directives)
  • EP gives consent on agreements

The Council co-decides
  • Directives for negotiations
  • Follows the negotiation process
  • Council approve the results of the negotiation (generally by qualified majority)
4. Multilateral Dimension
The Doha Development Round

• **Context**
  - Launched in 2001
  - Broad coverage
  - 2013 window of opportunity (Bali, trade facilitation)?

• **Big questions**
  - Where are we today?
  - Will this make a difference for development?
  - Will this be a good deal?
  - Will we get there in the end?
5. Bilateral Agreements
Bilateral relations (FTAs)

Context

- Globally more than 200 FTAs
- Covering more than 35% of global trade
- FTAs top up what can be done in WTO
- ‘Extended’ regionalism
Bilateral agreements – State of play

Countries with which the EU has a preferential trade agreement in place
Countries with which the EU negotiates or has a preferential agreement that is not yet applied
Countries with which the EU is considering opening preferential negotiations
Countries with which the EU is negotiating a stand-alone investment agreement
EU and Customs union
European Economic Area
## FTA partners and trade in goods

<table>
<thead>
<tr>
<th>Country / Region</th>
<th>Imports</th>
<th>Exports</th>
<th>Trade</th>
<th>% EU28 Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>204.9</td>
<td>311.1</td>
<td>516.0</td>
<td>15.2</td>
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<td>China</td>
<td>302.4</td>
<td>165.0</td>
<td>467.4</td>
<td>13.8</td>
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<tr>
<td>EFTA</td>
<td>185.5</td>
<td>194.3</td>
<td>379.8</td>
<td>11.2</td>
</tr>
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<td>Russia</td>
<td>182.0</td>
<td>103.5</td>
<td>285.5</td>
<td>8.4</td>
</tr>
<tr>
<td>MEDA (excl EU and Turkey)</td>
<td>77.5</td>
<td>107.3</td>
<td>184.8</td>
<td>5.5</td>
</tr>
<tr>
<td>ASEAN</td>
<td>100.5</td>
<td>78.6</td>
<td>179.2</td>
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<td>GCC</td>
<td>51.4</td>
<td>97.1</td>
<td>148.5</td>
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<tr>
<td>ACP (excl South Africa)</td>
<td>72.5</td>
<td>62.2</td>
<td>134.8</td>
<td>4.0</td>
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<td>Turkey</td>
<td>54.2</td>
<td>74.8</td>
<td>129.0</td>
<td>3.8</td>
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<td>Japan</td>
<td>54.5</td>
<td>53.4</td>
<td>107.8</td>
<td>3.2</td>
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<tr>
<td>MERCOSUR (5)</td>
<td>44.6</td>
<td>51.3</td>
<td>96.0</td>
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<tr>
<td>South Korea</td>
<td>38.9</td>
<td>43.2</td>
<td>82.1</td>
<td>2.4</td>
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<tr>
<td>India</td>
<td>37.0</td>
<td>35.5</td>
<td>72.6</td>
<td>2.1</td>
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<td>Canada</td>
<td>27.4</td>
<td>31.7</td>
<td>59.1</td>
<td>1.7</td>
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<td>Mexico</td>
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<td>28.5</td>
<td>46.7</td>
<td>1.4</td>
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<td>Hong Kong</td>
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<td>Australia</td>
<td>9.1</td>
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<td>38.7</td>
<td>1.1</td>
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<td>Ukraine</td>
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<td>17.2</td>
<td>30.9</td>
<td>0.9</td>
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<td>Andean Community (4)</td>
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<td>0.8</td>
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<td>Central America (6)</td>
<td>6.2</td>
<td>5.2</td>
<td>11.4</td>
<td>0.3</td>
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<tr>
<td>Other Countries</td>
<td>132.0</td>
<td>128.2</td>
<td>260.2</td>
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<td>Extra EU28</td>
<td>1,681.2</td>
<td>1,705.4</td>
<td>3,386.5</td>
<td>100.0</td>
</tr>
</tbody>
</table>

In Bn € / 2014. Sources: Comext, regime 4
Example: EU-South Korea Free Trade agreement

- **€1.6bn** in customs duties saved per year
- Creates **new trade opportunities** (between €30bn and €50bn, up 80%)
- Access for **service suppliers**
- Tackling **non-tariff barriers**
- Better access to **government procurement**
- Protection of **intellectual property**
- Strong **competition** rules
- Commitment to **sustainable development**
6. Unilateral Dimension
Unilateral dimension

• **Generalised Scheme of Preferences (GSP)**
  - Standard GSP
  - Everything But Arms (EBA)
  - GSP+

• **Trade Defence Instruments**
  - Anti-dumping
  - Anti-subsidy
  - Safeguard measures
7. Enforcement
Removing trade barriers for EU exporters

Market Access Strategy

- New opportunities for EU exporters
- Market Access Partnership:
  - cooperation: Commission - Member States - businesses
  - local expertise make trade barriers easier to identify/address
Removing trade barriers for EU exporters

Market Access Strategy

• Market Access Partnership (Commission-Member States-Businesses)
• Market Access teams created
• Market Access Database (MADB) to record barriers under examination in EU trading partners
How to export from the EU
Market Access Database

- Applied Tariffs
- Statistical Database
- Non-tariff barriers
- Sanitary and Phytosanitary Database
- Exporters' Guide to Import Formalities
- Studies
How to export into the EU

Export Helpdesk

- Public and free
- Database on trade in goods
- Tariffs, trade agreements, statistics
- In English, French, Spanish, Portuguese
More

- EU Trade website: http://ec.europa.eu/trade/
- EU Trade on Twitter: https://twitter.com/Trade_EU
- Commissioner on Twitter: https://twitter.com/MalmstromEU
- How to export from the EU: http://madb.europa.eu/madb/indexPubli.htm
- How to export into the EU: www.exporthelp.europa.eu