### AN OPEN, SUSTAINABLE AND ASSERTIVE TRADE POLICY

A MORE ASSERTIVE MONITORING AND ENFORCEMENT OF TRADE RULES

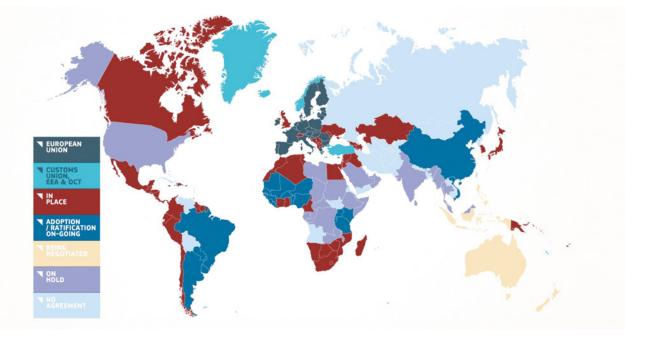


## WHAT IS IMPLEMENTATION OF TRADE AGREEMENTS AND WHY IS IT IMPORTANT?

With 46 agreements with 78 countries, the EU has the world's largest network of trade agreements: (<u>link to map</u>). Their effectiveness depends on them being implemented properly and companies making use of the opportunities they offer. Trading partners need to make sure their rules reflect the commitments they have signed up to:

- On market access
- Sustainable development provisions that ensure respect for social and labour conditions, and environmental standards.

The EU supports developing countries meeting these commitments with the world's biggest Aid for Trade scheme.





# **EFFECTIVE MONITORING OF THE PROPER IMPLEMENTATION OF TRADE AGREEMENTS**

- By exchanging information with trade partners, including on legislative developments
- Using EU Delegations, Member States embassies and stakeholders, WTO committees to follow legislative developments in the partner country that affect implementation of trade commitments
- By seeking input from Member States and stakeholders, including through the Market Access Advisory Group, Market Access Teams in EU Delegations, and Civil Society Dialogues
- By offering a one-stop shop <u>complaints mechanism</u> for businesses and civil society to signal potential breaches of the commitments in trade agreements

The Commission regularly reports on its implementation and enforcement activities, such as:

- Removing trade barriers
- Results of trade defence work
- Trade litigation.

Trade barriers removed between 2014-2018 generated at least €8 billion of additional exports in 2019, helping support hundreds of thousands of jobs in the EU.

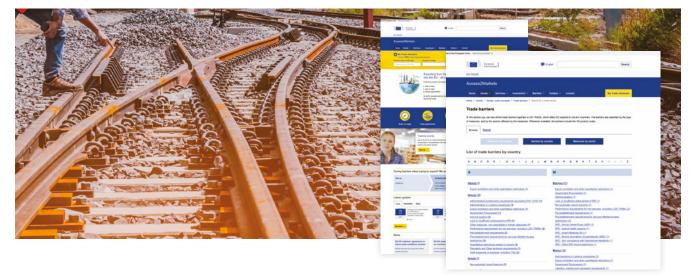
## ROBUST ACTION WHERE PARTNER COUNTRIES DO NOT COMPLY WITH THE COMMITMENTS

The Trade Policy Review reiterates our commitment to act where the EU considers that trading partners are not fulfilling their bilateral or multilateral commitments. It builds on the appointment in 2020 of a <u>Chief Trade Enforcement Officer</u> (CTEO), whose role is to lead efforts across the Commission to strengthen implementation and enforcement, drawing on a range of available tools.

# **TOOLS TO ENFORCE THE EU'S RIGHTS:**

- The institutional framework under trade agreements and the World Trade Organization to raise concerns
- High-level contacts with partner countries at political level
- Dispute settlement procedures, either under a bilateral agreement or in the World Trade Organization
- The updated Enforcement Regulation (Feb 2021) in cases where dispute settlement is blocked
- The Trade Barriers Regulation, allowing the Commission to investigate specific problems identified by EU companies. Since the 1990s, it has been used 24 times against a range of partners.
- Trade defence measures such as anti-dumping, anti-subsidy and safeguard measures to protect EU stakeholders from unfair practices or sudden surges in trade flows. In 2020, such measures protected more than 340,000 jobs in the EU.

#### **INITIATING INVESTIGATIONS AND PRIORITISING DISPUTES**



Since Autumn 2020, the Commission has operated a <u>Single Entry Point</u> – a centralised contact point for all EU-based stakeholders who want to lodge a complaint about barriers to market access in non-EU countries or when the latter do not comply with commitments they have made on workers' rights, tackling climate change, or the environment.

Where diplomatic action fails, the EU uses dispute settlement procedures. It has historically been a major user of the dispute settlement in the WTO, launching 104 of the 596 disputes brought in the WTO since 1995. In 2019 alone, the EU launched five new WTO disputes. Since the end of 2018, the EU has started to use the dispute settlement procedures under its bilateral trade agreements and has launched four new disputes under such agreements with South Korea, Ukraine, the Southern African Customs Union and Algeria.

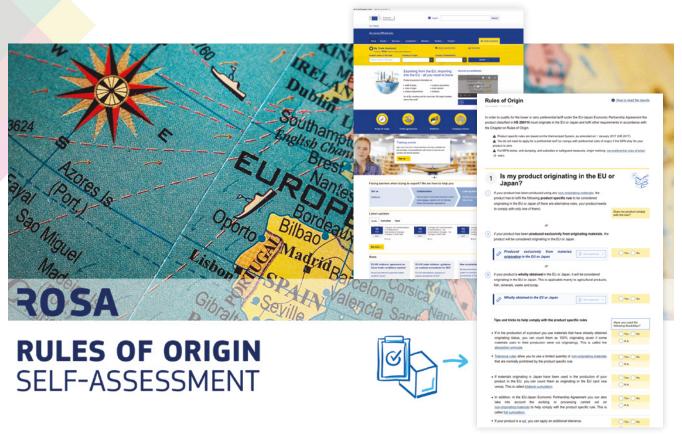
In deciding which cases to prioritise, the Commission looks at:

- Legal soundness
- The economic impact of the measures on EU firms and jobs
- The consequences for worker's rights and the environment
- The case's broader, systemic impact
- Whether the issue is a market access barrier or the failure to meet commitments related to trade and sustainable development.



# **STRENGTHENING THE TOOLBOX**

The EU intends to develop further tools to confront new challenges and protect European companies and citizens from unfair trading practices, both internally and externally. The Commission will propose new legal instruments to protect the EU from potential coercive actions by trade partners and address distortions on the EU's internal market caused by foreign subsidies.



## **HELPING EU FIRMS BENEFIT FROM EU TRADE AGREEMENTS**

By further strengthening the implementation and enforcement of its agreements, the EU's trade policy creates the conditions for businesses to develop, grow and innovate, and to protect and create high quality jobs in Europe and beyond. But, companies, especially smaller ones, need to be aware of new opportunities and how to benefit from them. Apart from outreach activities together with EU Member States, national trade promotion organisations and stakeholders, the Commission has set up various online tools to inform and guide companies, such as the Access2Markets portal, visited by around 10000 users daily.

The Commission will build on the success of the Access2Markets portal, integrate further functionalities into it and interlink it with other important information channels, especially for smaller firms:

- Establish a new Access to Procurement (A2P) IT tool to help EU companies verify whether a specific public procurement tender in a country outside the EU is covered by that country's international commitments to the EU
- Extend the Access2Markets portal to include information for EU services exporters and investors
- Further develop the <u>Rules of Origin Self-Assessment Tool</u> (ROSA) to help companies, in particular European small businesses, to correctly apply rules of origin when exporting to countries outside the EU and to extend RoSA to cover more trade agreements.
- Explore more efficient digital systems for facilitating trade and proving compliance with regulations.





