

EU stakeholders outreach on the TTC Working Group on Global Trade Challenges – work strand on challenges from non-market economic policies and practices

25 November 2021, 14h30-15h45 - Virtual Event via WebEx

(connection details will be shared with confirmed participants)

CONTEXT:

The EU-U.S. [Pittsburgh Statement](#), Annex V, provides the following on the TTC Working Group on Global Trade Challenges, work strand on challenges from non-market economic policies and practices:

Trade Policy Cooperation towards Non-Market Economies (NMEs)

In paragraph 22 of the Joint Statement issued following their June 15, 2021 summit meeting, President Biden, President Michel, and President von der Leyen stated:

“We intend to work cooperatively on efforts to achieve meaningful World Trade Organization (WTO) reform and help promote outcomes that benefit our workers and companies....We intend to seek to update the WTO rulebook with more effective disciplines on industrial subsidies, unfair behaviour of state-owned enterprises, and other trade and market distorting practices.”

As a complement to this cooperation, the European Union and the United States intend to work in the Global Trade Challenges Working Group, in accordance with the guidance given by principals, on responding to the challenges posed by non-market economies cited in the June 15 Joint Statement.

The European Union and the United States, as democratic market economies, share a number of core values, including with respect to human and labour rights, environmental protection, the rule of law, non-discrimination, regulatory transparency, market-based commerce, and the freedom to innovate and to have innovations protected.

We intend to work together in the Global Trade Challenges Working Group to ensure that our trade policies support these and other shared values, including by promoting them internationally and by resisting challenges to these values in global commerce arising from non-market distortive policies and practices.

Among the actions the European Union and the United States intend to take in the Global Trade Challenges Working Group with respect to this objective are the following:

1. Share information on non-market distortive policies and practices that pose particular challenges for EU and US workers and businesses, both across sectors and in relation to specific sectors in which we have identified certain risks, with the goal of developing strategies for mitigating or responding to those policies, practices, and challenges. Non-market practices that raise concerns include – but are not limited to – forced technology transfer; state-sponsored theft of intellectual property; market-distorting industrial subsidies,

including support given to and through SOEs, and all other types of support offered by governments; the establishment of domestic and international market share targets; discriminatory treatment of foreign companies and their products and services in support of industrial policy objectives; and anti-competitive and non market actions of SOEs. 16

2. The European Union and the United States recognise that domestic measures that each takes on its own can play a critical role in ensuring that trade policy supports market-based economies and the rule of law. This recognition is without prejudice to the views that either of them may have with respect to the appropriateness of any particular measure. To improve the use and effectiveness of such domestic measures, the European Union and the United States intend to:
 - Make an inventory of the growing number of domestic measures that the European Union and the United States each already employ, and exchange information on the operation and effectiveness of those measures and on any plans for future measures; and,
 - To the extent practicable or deemed desirable by both the European Union and the United States, consult or coordinate on the use and development of such domestic measures, with a view to increasing their effectiveness and mitigating collateral consequences for either the European Union or the United States from any such measure developed.
3. Exchange information on the impact of non-market, distortive policies and practices in third countries and explore ways of working together and with other partners with a view to addressing the negative effects of such policies and practices, which can undermine development goals and have a negative impact on EU and US commerce in those countries.

AGENDA

I. Introductory remarks (10 minutes)

EU Commission DG TRADE Acting Deputy Director General and Director for The Americas, Rupert Schlegelmilch


II. Comments and Questions by Stakeholders and Discussion (60 minutes)

Three rounds of comments and questions by Stakeholders (15 minutes each), each time followed by 5 minutes observations by the EU Commission

Stakeholders are invited to share their views on the priorities to be pursued for each of the 3 actions identified in the Pittsburgh Declaration as highlighted in the box above. We welcome in particular input on the following questions:

1. Which specific non-market distortive policies and practices do you consider to pose particular challenges for EU workers/businesses, both across sectors and/or in relation to specific sectors, and why?
2. In what way do you think the EU and the U.S. could most effectively cooperate to address these specific policies and practices?

3. Have you encountered specific non-market, distortive policies and practices that have a negative impact on your (commercial) interests in third countries (i.e. countries other than the country from which the distortive policies/practices originate) or which you consider hinder development of the third country concerned? Which ones do you consider particularly damaging?
4. Any other priorities the EU and the U.S. should pursue in this TTC work strand on non-market distortive policies and practices?
5. Other suggestions/concerns/questions **relating to** challenges from non-market economic policies and practices?

As indicated in the invitation to this event, you are strongly encouraged to also submit inputs, questions and comments in advance of the event by using the [Futurium online platform](#)  (EU-US Trade and Technology Council / Working Group 10 Global Trade Challenges).

III. Concluding remarks (5 minutes)

EU Commission DG TRADE Acting Deputy Director General and Director for The Americas, Rupert Schlegelmilch